

# SATURDAY NIGHT

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## THE FRONT PAGE

In next week's issue and that which will follow it we shall publish in two instalments an article of the highest importance upon the railway situation in North America, with particular reference to the Canadian lines, by E. D. Oliver, formerly a high official of the Canadian National Railways and more recently an advisory expert to the St. Louis Southwestern. It is Mr. Oliver's view that the difficulties of the present situation are by no means peculiar to Canada (except in so far as they arise from the special characteristics of government ownership, such as inability to adjust capital obligations), and that they are largely the result of failure of the North America railway system as a whole to avail itself of new and valuable types of transportation facilities. To correct this failure would be, in Mr. Oliver's opinion, to restore the railways to economic and financial health.

IN THE perturbation caused by the constitutional crisis The Front Page omitted last week for the first time in fifty years to wish its readers the customary Merry Christmas. Pardonable as this may have been in the circumstances, we do not feel disposed to repeat the omission in connection with the New Year, partly because the constitution appears once again to be working extremely well, and chiefly because 1937 is a very special year for us, being the fiftieth year since the foundation of this journal and the simultaneous establishment of The Front Page as its most conspicuous feature. This year above all years we must wish all our readers a Very Happy New Year. Not a few of them have been with us—and borne with us—for a great part of that half-century; and for their generous support, their frequent valued criticism, and for what they have done to increase the popularity and widen the influence of this paper we extend our most grateful thanks. A play is not a play until it has an audience, and a periodical has no existence apart from its readers. The readers of SATURDAY NIGHT are a large part of the institution, and do a great deal to make it what it is; and we shall never cease to give thanks that they are such an ideal body of readers for an editor to get along with.

## REVERSAL ON POWER

IF MR. HEPBURN were not in the habit of putting all the wallop that he has at his command, which is no small wallop, into the language which he employs when he really wants to fight, it might not have been so difficult for us to believe that he really wants to fight Mr. McCullagh, Mr. Wright and their highly esteemed journal, the *Globe and Mail*. But the language employed by the Premier last week on that subject was totally lacking in the true Hepburnian ring. Had it been used by Mr. King in Ottawa or Mr. Baldwin in London it would have seemed vigorous enough; but we who are immersed in Ontario politics are accustomed to richer and racier language, to riper and rottemer verbal vegetables.

The whole theory that the attitude of the *Globe and Mail* is in any way really distasteful to the Premier appears to us to be improbable. Mr. Hepburn has almost certainly come to the conclusion that new contracts will shortly have to be made with the remaining power companies which have not yet replaced the contracts torn up by the famous cancellation measure. There are several possible reasons for such a conclusion. One is the rather favorable outlook for the success of the companies in their appeal to the courts. Even if it be constitutionally possible to enact more court-proof legislation in the event of an adverse decision, Mr. Hepburn may not improbably feel that it would be unwise to do so. Another reason is the desire to conciliate the financial interests, which after all have a good deal of political influence in this Province. But any new contract, to be acceptable to the power companies, would have to be fairly favorable to their interests; and it is politically wiser for Mr. Hepburn to appear to be dragged into generosity than to give the impression of being personally anxious to be generous. Altogether we think it is very obliging of the *Globe and Mail* to shoulder so large a portion of the responsibility for a move which the Premier no doubt finds necessary in the interests both of his Government and of the Province, but which will be highly disappointing to an element of his following whom he has taught to look on power companies as public enemies.

## THE IRISH DEVICE

PREOCCUPATION with other subjects has reduced to a minimum the Canadian comment on the action, certainly not unexpected, of the Irish Free State in eliminating both the Crown and its Irish representative from all share in government action in the Free State except in relation to foreign affairs. Such comment as has appeared shows a slight note of indignation, which is perhaps not so completely justified as might at first sight appear. It was, after all, Canadian action which led the way to both "Dominion status" and the Statute of Westminster, which are being brought to their logical culmination in the new Free State constitution; and it would ill become a Dominion which has been so insistent upon self-determination within the Empire as Canada to rebuke another Dominion, so long as it remains within the Empire, for carrying self-determination one step further.

The Irish have the odd idea, or at least it seems odd to us in Canada, that they can establish a republican form of government and yet continue to be



CHRISTMAS-TIME IN THE WOODS. An Algonquin Park study by Stephen Lett, 347 Bay Street, Toronto, winning honorable mention in the Christmas Competition. Rolliflex, with Selo Hypersensitive Panchromatic film, 1 second at F3.5, three oil lamps only.

a member of the British Commonwealth of Nations, whose sole unifying principle is the British Crown. It has dawned on the acute and legalistic mind of Mr. de Valera that he probably cannot adopt the republican form for all governmental purposes, including those of foreign relations, and remain within the Commonwealth; for this would obviously imply direct communication with foreign courts in the name of the president of the republic or whatever other title might be adopted for the chief magistrate. But he does not propose at the present time to withdraw from the Commonwealth by his own action, and it is possible that he does not intend to withdraw from it at all so long as Ireland continues to be divided into two political units. He therefore plans to preserve the use of the Crown as a symbol of membership in the Commonwealth, but to confine it to external affairs. Since the Crown today has only a minimum of direct constitutional power in the affairs of any self-governing British country, the idea is not really so revolutionary as might be supposed. Some difficulty might arise when the Crown is called upon to act in the name of Ireland in some external matter and is instructed as to its action by an Irish Cabinet which has never taken the oath of allegiance; but even this difficulty might conceivably be overcome by the device of adopting an oath of allegiance which would relate to external affairs only.

Canadians should remember that the situation of this Dominion is radically different from that of Ireland, in that it is several generations since the direct control of Canadian affairs by a British Parliament has been a grievance to Canadians. The republican idea never had any chance to develop in Canada, which being further from Great Britain was able to secure its autonomy by quieter means. In Ireland the Republic has become the object of a romantic passion which Mr. de Valera seems to think he can satisfy within the terms of the Statute of Westminster. If means can be devised by which the

Free State can continue a reasonable co-operation with the other members of the British Commonwealth of Nations without having its domestic enactments signed by a Governor General, perhaps the arrangement ought to be welcomed rather than censured.

## THE STATE IN BUSINESS

ONE of the most difficult of the problems resulting from the widespread incursion of governments into business is the fact that a government which goes into business can never divest itself of the sovereign authority which was its proper attribute in the realm of government but is very far from being its proper attribute in the realm of business. This is the explanation of the dispute about the action of the Manitoba Government, acting through its Liquor Commission, in putting a prohibitive price differential on beer from outside the Province of Manitoba as against beer brewed in the Province.

The Manitoba Liquor Commission is in a sense a business enterprise, buying and selling alcoholic beverages and making a profit out of the difference between the buying and the selling prices. But it is also an agency of the sovereign power of the Province of Manitoba. It is the sovereign power of Manitoba which enables it to operate as an absolute monopoly, excluding all competitors from the field of retail distribution of alcoholic beverages.

Without this monopoly granted by the sovereign power, the Liquor Commission of Manitoba would be utterly unable to maintain the present differential between provincial and extra-provincial beer; for the extra-provincial brewers would have no difficulty in finding some other agency to distribute their beer (which can be bought by the Commission at exactly the same price as Manitoba beer) on the same terms as that of their Manitoba rivals. The power which

(Continued on Page Three)

## THE PASSING SHOW

BY HAL FRANK

BUT the Germans don't actually have to starve. When it comes to the final pinch, they can melt down General Goering.

"... The voluntary abduction of Edward the VIII."—Toronto suburban paper. Stet!

We understand that Germany and Italy are about to protest to the League of Nations that Spaniards are fighting in the Spanish civil war.

The latest story—which, of course, we don't believe—is that the abdication of Edward was engineered by stamp collectors.

Mr. Hepburn, however, seems to think that the *Globe and Mail* has gone definitely Wrightist.

1936 certainly has been an historic year, what with the conquest of Ethiopia, the Spanish Civil War, the abdication of King Edward and the engagement of Mary Pickford to "Buddy" Rogers.

It was an original Christmas. We received three copies of "Dog-gone with the Wind".

Mr. Baldwin at one time said that he was the first to broach the subject of Mrs. Simpson to King Edward, but later said that it was Edward who first brought the matter up. What happened, we suppose, is that each took the words out of the other's mouth.

It was a white Christmas, with the customary white Christmas lie: "It's just what I wanted."

It seems that the throne is the symbol of the British Empire and its occupants are expected to lead the symbol life.

Chinese civil wars are not only incomprehensible, they're utterly unpronounceable.

Esther says she cannot understand what they mean by stream-lining. She always thought a lining was on the inside.

## A PROTEST FROM YOUTH

BY GEORGE S. PATER

Letter of an Upper-School Boy to His Father

Dear Dad:

WE HAVE just had an illustrated lecture upon the Vimy pilgrimage from a chaplain who served in the Great War. It certainly is an impressive monument and makes me proud to be a Canadian. Although I know you did your part in the war I was thankful that your name was not among the thousands carved in that everlasting marble.

But what worries me is this, and I hoped that you could tell me something that would clear the matter up a little. The speaker put it up to us, "the youth of Canada", to see that such a sacrifice should never occur again, but he did not tell us how we are to prevent it. We have been exposed to a lot of such challenges recently, it seems to me. I read that a number of clergymen around Windsor were making the young men promise not to enlist or to work in munition factories if we were ever at war. I suppose they wouldn't let them work on farms, either, to grow food for the army. Now it seems to me and to the other fellows that if our elders cannot find a formula to keep us out of war it is unfair for them to throw their responsibility upon us who haven't even a vote yet.

WHERE do these people get the idea that we think war is a glorious adventure? I've scarcely ever seen a military parade with band playing and flags flying, and if I had I am not such a fool as to think that is war. All that I have ever heard or read about

## CUMULATIONS

BY MYRTLE J. BROLEY

THE pretty wreaths are put away.  
The tree seems bare and old  
Since all its lights are stored again,  
Its trimmings all re-rolled.

What of the warmth within our hearts?  
Our charity towards men?  
Let's keep that with us through the year  
Till Christmas comes again.

Winnipeg, Man.

war was the horror, suffering and filth of it. I was only a little fellow when someone first came to the school to give an illustrated lecture on the Great War. It made me pretty sick, and I used to have beastly nightmares. I was in first or second form when a local newspaper published authentic photos of war scenes. They claimed that it was to keep us from wanting war, and it did scare us pretty badly, because just not wanting things doesn't keep them from happening. But one of the senior fellows said it was all propaganda on the part of the syndicate that controlled the material the newspapers publish. He claimed they wanted to stir up hatred of Germany, especially as they made such a feature of Nazi atrocities. When they followed up with the story of Edith Cavell's trial and execution he was sure he was right. We didn't know what to believe; there didn't seem to be any other point to it.

THEN, of course, we all read "Cry Havoc", and a lot of fellows quit the Cadet Corps because they were not going to have a lot of bloated capitalists make mugs out of them for their own profit. Besides, it seemed as if the British were as guilty of stirring up the demand for armaments as anyone else, even if they might be used to kill their own people. One of our teachers of history said that all wars were caused by capitalists who stirred up patriotism for their own purposes, to get markets or raw materials. I asked him how about the Crusades, but he hasn't found an answer yet, except that until we do away with the profit motive and with national boundaries we shall always have wars. So it looks as if we are helpless, doesn't it, Dad? Another of the masters is against having any defence force because that is only a glorification of war; besides encouraging it by challenging other nations to have a stronger one. I asked if a police force was not a glorification of crime and a challenge to criminals to go one better, but he told me not to be facetious. I knew perfectly well that that was different. Do you think it is, Dad?

SOME of the fellows at University tell me they are signing a declaration that if they are ever conscripted they will go to jail instead, and they want us to circulate it in the school. Do you think that if the Canadian Parliament conscripts us they will let us go to jail? Will the jails hold us all, or shall we be forced to build our own jails? One of the Old Boys, who volunteered from school in 1916, laughed at them. He said that in the last year of the war lots of fellows did things at the front for which they would formerly be sent to prison, but instead they were sent up to the line with a husky corporal beside them to see that they did their duty. So it looks as if jail will be "out".

This very newspaper that tried to educate us against war is now publishing articles condemning Britain for not jumping in to the help of the Spanish loyalists against Fascism. They don't urge Canada to do anything, but if Britain has to fight Germany and Italy and perhaps Japan, do you think we will be left alone? I read, too, that a peace delegate from Canada to Spain enlisted in a battalion there, fired a few shots at the men on the other side, and returned to glory in it. Are these peace people sincere, or do they just want us to fight against their pet aversions?

I'd be glad to have your advice upon this problem, Dad, before I leave school. Yours in doubt, BILL.



# PORTRAIT OF GENTLEMAN

BY SELWYN BANWELL

"MR. RAWSON has come!"

When I and my brothers and sisters were children, we had few visitors. My mother had a hard struggle (of which we were all blissfully ignorant) to keep us fed and warm and happy. I hardly remember anyone coming to stay with us, except Mr. Rawson, who used to pay us a visit of a few days every six months or so.

Whence he came and whither he went no one knew. He would appear at the door and sweep off his deplorable hat to my open-mouthed sister Susie (aged eight). "My dear, would you be so kind as to tell your Mamma, if she is not engaged, that Mr. Rawson is here?"

He was an old man—incredibly old to us; I dare say he was going on for seventy. He was tall and straight and clean; his hair and moustache were as white as snow. His clothes, in spite of pathetic attempts at neatness and repair, were so old and shabby that even in our house—where new clothes were not very common—they seemed fit only for the rag-bag.

In truth, Mr. Rawson was a tramp. Old, shabby, penniless, I do not believe he had a single personal possession in the world except his old-fashioned razor.

BUT he was welcome for all that. My eldest sister might grumble a little—"He looks so queer; people will wonder"—but my mother made short work of Hester's murmurs.

"Mr. Rawson is an old friend and a dear friend, and he is welcome whenever he chooses to come—and you children are to make him welcome." Indeed it was not hard to do, he spoke so kindly and gently to us, and took such an interest in our childish affairs. Even Hester confessed that he had been "nice" to her, when she was puzzling her brains over her Euclid, and had made the problem clear.

My mother knew little of Mr. Rawson's earlier history and later misfortunes. She often told us that long ago, when she herself was a little girl, one of the brood of children that swarmed in my grandfather's shabby old rectory, Mr. Rawson had been a friend and benefactor.

But it was a different Mr. Rawson then, my mother used to say. He was not old then, nor poor, nor sad. Handsome, cultured, traveled, even rich, as riches went in those simple days, Mr. Rawson was one whose friendship was sought and prized. He was in particular a staunch friend to the struggling overworked parson, nor did he forget the parsonage children in his welcome visits; they searched his pockets for treasure-trove.

ALL that was nearly thirty years before we knew him. Certainly Mr. Rawson had been overtaken by misfortune in the intervening years; very likely he had been too generous, too credulous, too heedless of his own future days. But he never spoke of this when he came to us, nor by word or gesture indicated that he was not as prosperous as ever.

The first thing to be done, when Mr. Rawson came, was to hurry on dinner, or supper, or any sort of impromptu meal. He continued to assure us that he would not dream of giving trouble, but there was a gleam in his eye and a tremor in his voice that betrayed the sharp edge of hunger.

The next thing was a room to be got ready, and a consequent redistribution of children. Mr. Rawson protested; he wouldn't think of disturbing anyone and in fact preferred to sleep on a sofa. Nevertheless, when his room was ready and he was installed in it, he spent much time in mysterious activities behind the closed door.

"Might I trouble you"—coming to the door of the kitchen—"for a little hot water? If you would be so kind. Thank you, my dear, thank you."

And then were to be heard sounds of splashing and rubbing and rinsing. Mr. Rawson was washing his shirt.

ON SUNDAYS he would make a special effort, magnificent and tragic, to smarten himself up, trimming the fringe off the bottom of his trousers, and rubbing furiously at his poor broken shapeless shoes. He never dreamed of failing in his duty of escorting my mother to church on Sunday morning. She, for her part, bore herself as though she were squired by a prince of the blood; if she caught a glance of amusement or derision, she well knew how to abash the offender with a look.

Mr. Rawson would sing the hymns with gusto, and join in the responses with sincere reverence. When the church warden came down the aisle and presented the offertory plate, Mr. Rawson made him a slight, dignified bow, as one acknowledging a courteous gesture.

I have often thought that Mr. Rawson showed his innate good manners never more clearly than in his never-failing efforts to give pleasure to those whose hospitality he was enjoying. It was little he could do, poor man; he belonged to a past generation—but that little he did as well as he could. Of an evening he used to sit down at our tiny old piano and accompany himself in one or two simple old songs—"John Peel", "Mowing the Barley", and such half-forgotten melodies. He loved a rubber of whist—at which he was rather a martinet—when my mother was able to get together enough players to make up a table. He talked well, and told many a marvelous tale of the pioneer days in the Georgian Bay country; but he never monopolized the conversation, and was as ready to listen with interest as he was to talk.

HE NEVER failed to leave us a "little souvenir" of his visits—and a very odd sort of souvenir it was. I wish I had one of them now. He must at one time have been a water-color artist of considerable talent. But his paints and brushes were long since gone; he had absolutely none of the implements of his craft. Yet he was undaunted; he was one of those who can make bricks without straw.

He would rummage about till he found a clean bit of pasteboard—the top of a box, perhaps—and then he would raid the kitchen for his colors. Spreading his paraphernalia on the dining-room table before our wondering eyes, he would proceed to paint quite a charming little picture—charming to us at any rate, and to my mother.

The scenes were always pretty much the same. There used to be several of Mr. Rawson's pictures in the family, but it is years now since I have seen one of them—a woodland scene, with a waterfall in

the foreground, at the foot of which was the small figure of an Indian in a red blanket, contemplating the majestic cataract.

Laundry blue and ordinary table mustard were Mr. Rawson's standbys; I suppose he mixed them in varying proportions for the forest greenery, but I do not pretend to remember (if I ever knew) all his devices and makeshifts. The water was perhaps sugar—or salt. Where did he get the red for the Indian's blanket? Could it have been catsup?

AT ANY rate he completed his picture, laying on the colors with match-ends and twisted wisps of paper, and (unlike some of his artistic brethren) clearing up the mess he had made after he had finished. The picture was presented to my mother in due form, and with perfect unself-consciousness on the part of the artist.

It's nothing, my dear madam, nothing at all. I must bring some proper paints with me next time, and paint something worthy of so kind a friend."

Mr. Rawson's visits were always short, and he could never be induced to prolong them, though always politely pressed to do so.

"I really must be off this afternoon—er—business, you know."

We always understood, from bits of news he would sometimes bring, that there were three or four other places in different parts of the country, where there were old friends whom he visited as he did us. In the long intervals he lived—Heaven only knows how.

It is impossible to think of Mr. Rawson accepting charity openly offered, but in the bustle of leaving-taking my mother used to slip a coin or two—all she could manage—into his coat pocket; if he was aware of what she was doing, he made no sign. Off he went down the shady street, stepping out briskly, intent, to all appearance, on pressing affairs.

I am quite certain that he had no notion where he was to sleep that night, or when he would eat again.

WELL indeed do I remember the last time I ever saw Mr. Rawson.

My brother and I were ranging the town looking for adventure like the young urchins we were. Near our town's little railway station there was a forlorn

*A reproduction of the charming autographed photograph presented to the Hon. Mr. Ferguson by the Princess Elizabeth, and referred to in the article in an adjoining column, will be found on page 8.*

attempt at a park—a small triangle of brown grass, a few dusty shrubs and trees, a dilapidated bench or two—and on one of these sat Mr. Rawson. We had said goodbye to him a few hours before, and here we found him again, obviously tired and depressed.

He quickly recognized us, however, and pulled himself together with an effort that was apparent even to us.

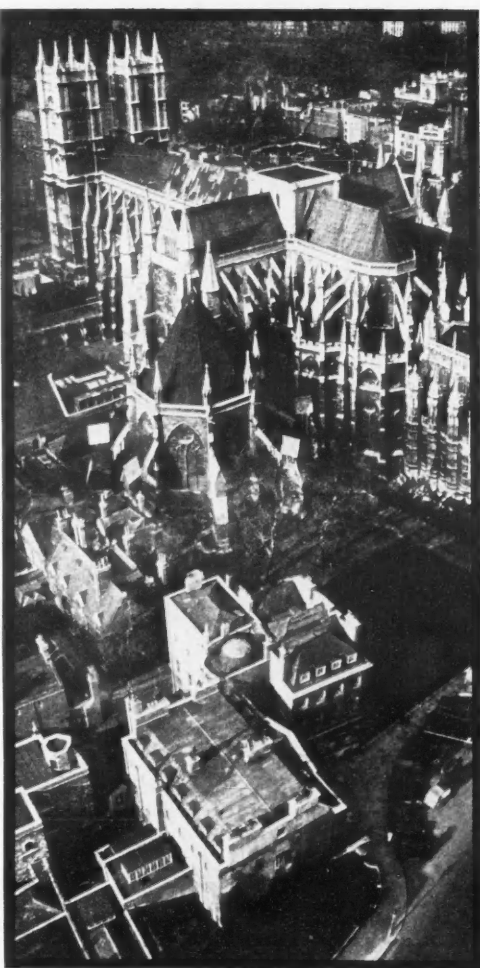
"Well met, my dear boys," said Mr. Rawson, "I am just waiting for the train." (Well we knew there were no more trains that day). "You must give your mother my love, and tell her that you saw me so far on my way."

"Come," he continued, "I want you to have a little treat; I think perhaps they sell peppermints at the little shop yonder."

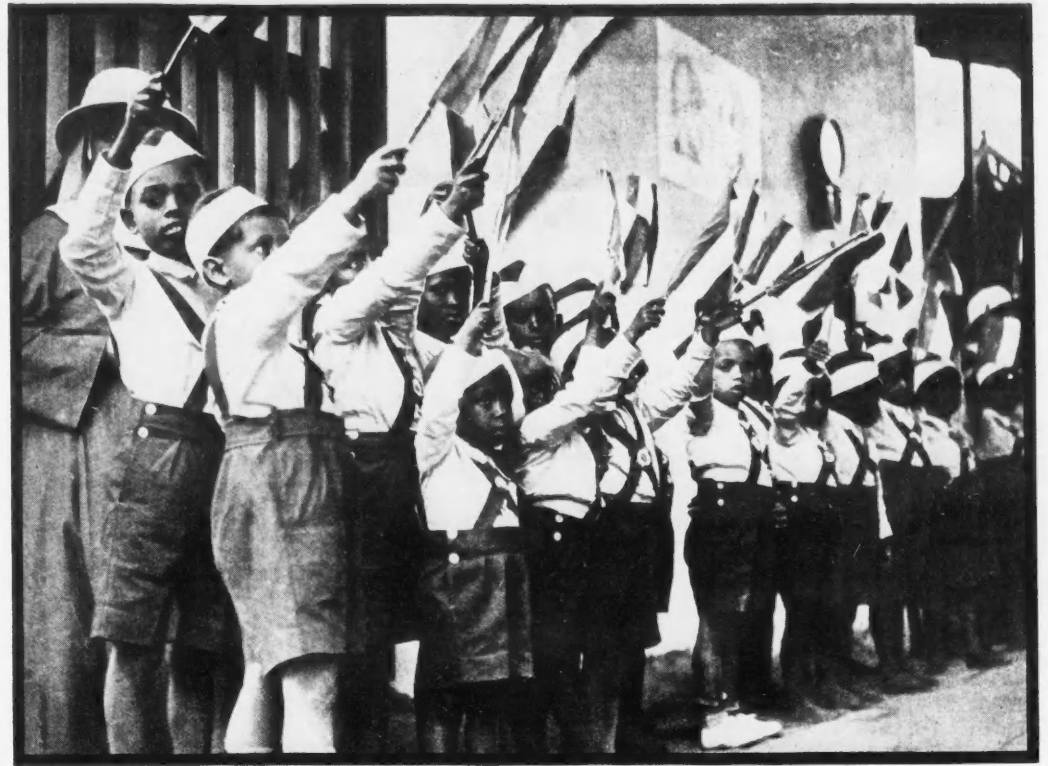
I did not want to take the ten-cent piece that he pressed into my hand with a smile (I guessed that it was the last of my mother's half-dollar), but I did not know how to refuse. My mother told me that I was right to take it, and the tears were upon her cheeks as she said it.

"Goodbye, dear lads; goodbye; God bless you both," and Mr. Rawson returned to his bench. In a few moments, as soon as he thought himself unobserved, he rose, glanced about him, and wearily, took his way along the railway ties.

We never saw him again.



KING GEORGE MEMORIAL. The proposed site beside Westminster Abbey and opposite the Victoria Tower, upon which the National Memorial Statue to King George V is to be erected. The houses around the Jewel House (seen at centre bottom of the picture) have been made a gift by the Government and will be demolished, revealing a new vista of the Palace of Westminster.



MUSSOLINI'S ETHIOPIAN CHILDREN. "Youth" of Ethiopia in organized greeting to various Italian Ministers who visited Abyssinia recently.

## GLIMPSSES OF ROYALTY

BY THE HON. G. HOWARD FERGUSON

THE real character of an individual or of a nation is best revealed in a time of crisis. The startling events in Great Britain during recent weeks have given to the world a remarkable manifestation of the sterling qualities of the British people and of the security and permanence of the political institutions of the Empire.

One naturally asks himself in what other country could such a great national upheaval suddenly burst upon its people, threatening the very foundations of the entire political and social structure of the nation, without causing riots or disturbances of any kind to disrupt the ordinary normal life of the people.

Who amongst us does not feel a genuine thrill of pride that we are one with such a people; that we can call ourselves British subjects?

Is there a country in the world that will not be profoundly impressed with a nation whose people can deal with a situation so vital to its existence in such a calm and dignified manner? I can conceive of nothing that could add more to the prestige and influence of the Empire in the international world than this striking spectacle of solidarity, sanity and stability in such a trying experience.

Impressive as this spectacle is, it is by no means novel. This same phase of British character was demonstrated at the time of the general strike in 1926. That struggle suddenly collapsed and the men returned voluntarily to work when it was disclosed that the strike was a part of a general scheme inspired by Communists to throw the country into turmoil in the hope that it would lead to revolution and the overthrow of popular government, which is the basis of British national life.

IT IS well known that the late King George V and Queen Mary had a profound sense of the grave responsibility of their high position. The members of their family have been brought up in that atmosphere and trained to regard themselves as trustees of a great heritage on behalf of their people. Even while Princes, the sons assumed a full share of active work in the service of the Empire. They fully recognized that circumstances might arise where any one of them would be called upon to assume the Crown. The King, as the head of the State, is an integral part of our political system, which is founded upon the democratic principle that the Sovereign must recognize the supreme right of the people to rule and he is bound to submit to their views as expressed through their representatives in Parliament. King Edward VIII was a staunch supporter of the Constitution. There could be no more convincing evidence of this than his voluntary abdication when he felt he could not accept the advice of his Ministers.

King George VI holds the same firm conviction with regard to the Constitution and it is this sense of duty as heir apparent that has impelled him to face embarrassments and endure trying ordeals which if he were a private citizen I have no doubt he would have gladly avoided.

SOME years ago, I was present at a public dinner in London where the Duke of York was one of the speakers. An impediment made his speech a bit of an ordeal both for him and for the guests; yet everyone admired the patient courage with which he carried through his address. His popularity even at that time was amply attested by the enthusiasm with which he was acclaimed.

I have heard His Majesty as Duke of York make many speeches since that occasion and it has been most interesting and cheering to notice the continued progress being made in overcoming his hesitancy of speech, until now it has practically disappeared and his speeches are delivered with ordinary fluency and clarity of expression. The courage and determination which have enabled him to overcome this handicap of speech is, it seems to me, a sure indication of the splendid qualities he will bring to bear in the discharge of his responsible and onerous duties.

MY WIFE and I happened to be in England soon after the marriage of the Duke and Duchess of York (now Their Gracious Majesties, King George VI and Queen Elizabeth) and were fortunate in being included amongst the guests invited to a Royal reception at St. James's Palace. We had the honor of being presented to the Duke and Duchess of York and had an interesting chat with them. We found they had a surprising knowledge of Canada and expressed a keen interest in Canadian affairs generally. Shortly before that there had been some talk that the Duke might come to Canada as

Governor General, and while they expressed the pleasure it would give them were that possible, they felt that the responsibility of such an important position should be undertaken by someone of more mature years and wider experience in public affairs.

One is reluctant to introduce a personal note into a brief appreciation of this kind. I do so only because I feel I can make clearer the purpose of my observations in relating one or two incidents that have to do not only with the personality of the then Duke and Duchess of York but with their home life.

WE, WITH Mr. Bennett, had the honor of being invited to an informal luncheon at their home. It might have been any delightful family circle. The two young Princesses came to the dining-room for dessert. Little Princess Margaret Rose sat on her mother's knee and nibbled some brown sugar crystals, while the Princess Elizabeth stood alongside of my chair while we chatted together. There have been cruel stories disseminated with regard to Princess Margaret Rose, intimating that she had not the use of her limbs, nor had she the power of speech. It is quite beyond one's imagination to understand how stories without a tittle of foundation apparently find credence with some people. As one watched these two sweet children playing about the drawing-room, laughing and chatting together with all the spirit of happy childhood, one marvelled as to how such baseless rumors originated and by whom they were being circulated. Princess Elizabeth is called the sweet-heart of the Nation, but certainly the young sister, Margaret Rose, holds a position close to her in the love and admiration of all classes of people. While we sat in the dining-room, Princess Elizabeth asked us if we would like to see her Christmas cards and, being assured that we were interested, she went out and returned with three of them. They were reproductions on a card of photographs of Margaret Rose and herself. At her suggestion, I drew a straight line across the fly leaf of the card and she wrote her name "Elizabeth" with obvious pride. She gave us each one of these cards. Then she turned to me and in a whispered tone asked me if I would like one of her by herself. I assured her I would be delighted. She ran off and shortly came back with a card similar to the former one, except that she was the sole figure. She insisted on autographing it for me and again I drew a line, using the back of a table knife as a straight edge, and she wrote her name.

These two cards are amongst my most cherished souvenirs of a very happy stay in England.

THIS little side-light on the domestic life of the present King and Queen will, I hope, be useful in showing to those who may read this brief sketch, the happy family atmosphere of a home of normal type, where these children are being brought up under the very finest influences.

I recall another interesting incident that shows the spirit evinced by the King and Queen where they felt they might be helpful in a worthy cause. During the depression, artists, like many other people, found it difficult to secure engagements. Mrs. Ferguson and I were asked to interest ourselves in the organization of a recital to be given by Canadian artists. The Duke and Duchess of York were gracious enough to extend their patronage, which ensured the success of the function. They came to the concert, arrived promptly, appeared to enjoy it thoroughly, applauded with the audience and expressed great pleasure at being present. Afterwards they adjourned to an ante-room, where the artists were presented to them and where Their Royal Highnesses joined in having some light refreshments, taking occasion then to thank the artists for the pleasure they had given them.

We had the honor of meeting the present King and Queen on several other occasions when they were performing similar duties for various public service organizations, as well as at social gatherings. The unassuming dignity with which these two Royal personages carried out their duties on such occasions left no doubt of a sincere purpose to follow the example of the late King George V and Queen Mary. And that is not to be wondered at, because the present King is more like his father in temperament, taste and manner than any other member of the Royal Family. This fact alone gives to the people of the Empire an assurance that we will enjoy under King George VI the same happy and prosperous period as was vouchsafed to us under his noble and lamented father. As for the present Queen, her grace and charm are so widely known that any comment on my part would be gratuitous.



# NIGHT BEFORE CHRISTMAS

BY C. HUNTER MCBAIN

THE stage is bare except for an enormous bed in the centre, its headboard decorated with the swastika, fasces, and the sign of the rising sun. Enter three figures in white nightshirts. They carry candlesticks with lighted candles and their faces are made up to represent Hitler, Mussolini and the Emperor of Japan. They walk or dance in stylized fashion across the stage and line up in centre front. The Three sing:—

Our people bid us shine  
With a clear pure light,  
Like a little candle  
Burning in the night.  
In this world of darkness  
So we must shine—  
You in your small country  
And I in mine.

Each hangs a stocking at the foot of the bed and all kneel. The Three pray:—

Now we lay us down to sleep,  
We swear we will our treaties keep.  
If war should start before we wake,  
We pray the Lord our side will take.

The Three get into bed, the Emperor in the middle.

Hitler: Benito, what for did you from St. Nickolus ask?

Mussolini: For Russia. How much you ask Santa Nickolo, Adolf?

Hitler: For Russia.

Emperor: Velly much damn. Only one Lussia. I velly much want Lussia too. You no can have Lussia—Play fair as in clicket. (The other two smother him in the bedclothes.)

Hitler: Shut up, you non-Aryan.

Mussolini: Quiet! Stop struggling. Yellow peril! (The Emperor subsides.)

Hitler: You have Ethiopia. You can't have everything, Benito.

Mussolini: I want Russia too.

Hitler: Well, you can't have it.

Mussolini: I can!

Hitler: You can't!!

Mussolini: I can!!! (This dialogue goes on in rising crescendo until it is interrupted by the arrival of Santa Claus.)

Santa: What ho, what have we here? (The Three sit bolt upright in bed.)

## THE FRONT PAGE

(Continued from Page One)

enables the Commission to establish this differential is not a business power. The motive which leads it to establish this differential is not a business motive; it is not the desire to make a greater profit on the transaction, but the desire to protect the interests of the Manitoba brewers who are taxpayers to the Commission's master, the Manitoba Government.

But the Manitoba Government has no right to set up any barrier to the free admission into Manitoba of the products of the other Provinces. The idea that it would ever do so through an agency wearing the guise of a business corporation did not, it is true, enter the heads of the Fathers of Confederation. They knew nothing of any sovereign power affecting the terms on which goods can be sold except the power of taxation, and they merely enacted that the produce of any Province should "be admitted free into each of the other Provinces." By "free" they of course meant free of any taxation imposed in connection with the act of admittance. The Manitoba Government will claim that it is not imposing a tax in connection with the act of admittance. But it is doing what amounts to exactly the same thing, and it is doing it insidiously under the guise of a business enterprise which is not really a business enterprise at all, and if this sort of thing goes on there will be an end of all unity in the Dominion of Canada; and we earnestly hope that the Privy Council will interpret the B.N.A. Act broadly enough to find that the Manitoba Government is doing with its left hand what it is expressly prohibited from doing with its right, and will make it stop.

2 2 2

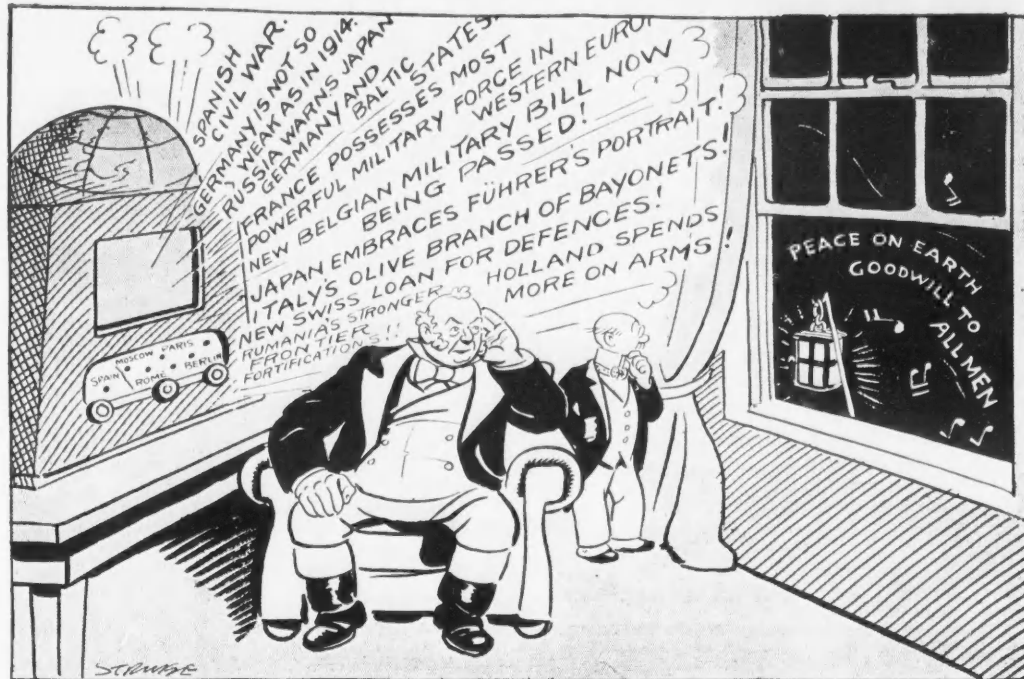
### TEXTILES TO RESCUE

A RATHER remarkable example of the help which organized industry may render in times of widespread national emergency is presented by the recent response of the textile industry to the appeals of the Premiers of Manitoba and Saskatchewan for co-operation with the Red Cross effort to alleviate suffering in the drought areas. Seventy-five textile companies all over Ontario, Quebec and the Maritimes answered this appeal with gifts valued by the Red Cross authorities at \$150,000, and consisting of practically every type of textile product for household use. This sort of voluntary action does a great deal to lessen those sectional jealousies and animosities which are so easily inflamed in times like these owing to the excessive pressure of hardship and sacrifice upon particular portions of the country.

2 2 2

### YES WE HAVE NO DOMINION

WE ARE distinctly delighted to learn of the theory put forward by an eminent Social Creditor from Alberta, Mr. Walter Kuhl, M.P. for Jasper-Edson, that there is really no such thing as the Dominion of Canada. Mr. Kuhl relies for this remarkable conclusion upon the Statute of Westminster, which he says devolved the sovereign authority hitherto held by the British Parliament, not upon the Dominion, but upon the various Provinces. The contention takes on an added piquancy from the fact that Mr. Kuhl is himself a member of the Parliament which he now declares to have no real existence. His interest in the matter is of course due to the fact that if Alberta is a sovereign Dominion by itself it can control its own currency and credit system and enact all the Social Credit that it desires; a year at Ottawa has no doubt convinced him that the prospect of inducing an all-Canadian Parliament to do so is very remote indeed.



THE WAITS OUTSIDE

Hitler: Saint Nickolus!  
Mussolini: Santo Nickolo!  
Emperor: Slanta Claus!  
Santa (wagging his finger): Little boys should not quarrel. It's naughty, naughty, very naughty.  
The Three: We're awfully sorry, sir.  
Santa: Truly sorry?  
The Three: Oh, Yes!  
Santa: Then tell me, boys, what would you like me to give you for Christmas?  
The Three: RUSSIA!  
Santa: Russia? Ho ho ho ho ho! (He laughs loud and long, but his laugh tapers off to a horrible sneer.) So it is Russia you want. (He removes his Santa Claus mask.)  
Hitler (Shrieks): Stalin!  
Mussolini: Stalin!!  
Emperor: Stalin!!! (They hop out and under the bed squealing.)

STALIN laughs slightly, yawns prodigiously and crawls into the bed, where he immediately drops off to sleep with a reverberating snore. A few bars of "Holy night, silent night" are heard off stage as the curtain falls.

We like Mr. Kuhl's contention, because it draws the logical conclusion from the much more widespread contention—against which we are constantly having to protest—that the Dominion of Canada is merely a sort of alliance of a group of governments which have never divested themselves of their right to complete and ultimate sovereignty. If this conception were true it would not to our mind make much difference whether the Statute of Westminster has, as Mr. Kuhl contends, or has not dissolved any agreement which these sovereign Provinces might have made for the purpose of that alliance; if it has not been dissolved it could be dissolved upon the demand of any of the sovereign parties, and that is quite enough. Fortunately this view, in its logically complete form, is not likely to be endorsed by the electors of any Province. We are far from convinced that a majority of the population of Alberta, which voted for Social Credit at the last election, would today vote for the complete separation of Alberta from the rest of Canada even for the sake of getting Social Credit into operation; so it is just as well that that Province is not likely to have complete sovereignty thrust upon it as a result of Mr. Kuhl's peculiar view of the legal status of the Dominion.

2 2 2

### HEREDITARY JOURNALIST

IT IS an uncommon thing in these days to find a successful metropolitan newspaper which has remained in the hands of the same family for nearly three-quarters of a century and seems likely to continue in that ownership for some time further. The two Whites who came to Montreal about seventy years ago and took the *Gazette* out of the hands of somewhat incompetent owners were both men of exceptional attainments in business and politics. One of them, the Hon. Thomas White, became a close associate of Sir John Macdonald and a major influence in the councils of the Conservative party, and was brilliantly succeeded in the *Gazette* editorship by his son, Robert S. White, M.P. The other, Richard White, assumed the less honorific but equally important duties of business manager of the *Gazette*, and showed his excellent good sense, not only in his conduct of that office, but also in the training which he imparted to his son Smeaton with a view to qualifying him for the succession. At a time when most of the old English-speaking residents of Montreal were still contemptuous of the French language, young Smeaton was actually sent to Paris for several years to fit him for the requirements of a bilingual Province; and a great ability to get on with the leading members of the majority element in the Quebec population had much to do with the son's subsequent success. Had the other notable hereditary family in Montreal English journalism, the Dougalls, possessed the same highly practical attitude on the subject of the relations between the races, the history of Montreal evening newspapers would have been very different.

The death last week of the Hon. Smeaton White, after more than twenty-five years in the presidency of the *Gazette* and nearly twenty years in the Senate of Canada, removes one who was unquestionably, after all allowance is made for inherited advantages, among the ablest business men of the Montreal community. That the *Gazette* in the later years of his régime can scarcely be held to have exercised the influence upon public opinion which it once did is to be ascribed more to the trend of general conditions in journalism than to any weakness in the conduct of the paper. It is the sole English morning paper in its community, and that community is predominantly French-speaking, a circumstance which mili-

tates perhaps unfortunately against any pronounced political attitude in either the readers or the journal. Thus while catering to a nominally Conservative clientèle, the *Gazette* was long able to maintain very friendly and not unprofitable relations with the long-lived Liberal provincial Government, a circumstance which naturally did not make for outspoken political editorials. On its news side, however, the *Gazette* has for many years been an example to all Canadian journalists, aided partly by the advantage which it enjoys of being able to charge five cents a copy instead of the customary two or three cents. The late Senator, it has been justly observed, was a typical northern Irishman although born in Canada, and was therefore a man of pronounced reserve, who did not extend his friendship widely or easily but was intensely loyal when once it had been extended. In the close circle of Montreal high finance and big business his loss will be greatly felt, and the Conservative party is deprived of a very valuable restraining influence in favor of sound and traditional policies.

—Cartoon by Strube, London, Eng.

### LAWFUL ASSEMBLY

THE question of the relation between the right of public assembly and the duty of the police to prevent actions likely to result in a breach of the peace is being discussed with great interest in the serious British press. It is a question which is of perennial interest in Canada, and which was brought sharply to mind here by the recent episode of the Spanish meeting in Montreal. The Hon. Cyril Asquith, a son of the first Earl of Oxford and a well-known authority on constitutional law, points out in a letter to *The Times* that only a very fitful light is shed by the leading British decisions on the question

### DECEMBER DIRGE

BY IRENE CHAPMAN BENSON

AGAIN the immemorial wheels of time.  
Relentlessly their annual round have driven:  
Once more we summon courage to outline  
The endless list of presents to be given.  
The pageantry of packages draws near,  
Supreme with seal and silver cellophane:  
The open season of the cheque is here,  
And ghosts of ravished wallets walk again!  
Winnipeg, Man.

whether persons can be prevented by the police from holding an otherwise lawful meeting on the sole ground that outsiders are likely to attend and commit breaches of the peace. A 1936 decision seems to have greatly decreased the value of previous decisions which had tended to maintain the lawfulness of an assembly even when "the organizers know that they will be forcibly opposed". The case in question was that of a lady who had held in 1933 a meeting in the neighborhood of an unemployment training centre, which was followed by disturbance at the training centre, but without proof that anything was done at the meeting to provoke such disturbance. When she proposed a year or two later to hold another meeting in the same place, the police attempted to induce her to hold it elsewhere, and failing to do so, required her to desist. Her refusal to desist was held to constitute "obstructing the police in the execution of their duty."

Mr. Asquith points out that the effect of this decision is in substance to annul the constitutional liberties which the earlier cases appeared to affirm. "For it seems to follow from the decision that if a gang of hooligans have disgraced one political meet-

## IT OUGHT TO PAY

BY HUGH SHOOBRIDGE

THE Non-Intervention Committee were a little late in realizing that their policy regarding the Spanish civil war had been developed on wrong lines. However, when the opportunity was pointed out to them they devised the following neat little advertisement:

#### DESIRABLE PENINSULA AVAILABLE FOR WARS

You may think you have the very best of  
Tanks Battleships  
Bombers Batteries  
Gas Personnel  
But have you? Now you can find out.

#### HOW OFTEN YOU HAVE WANTED TO:

Swat that Communist  
Take a crack at that Fascist  
Eliminate that Nazi man  
Give your NOBLE NATIONAL SPIRIT the IRON  
DISCIPLINE of WAR  
All same like the ROMANS and other IMPERIAL  
RACES  
Let the true NORDIC GENIUS flower  
BUT—these things make such a mess at home



All at your Service

AND READY TO  
MAKE YOUR

NEW YEAR'S PARTY

AN UNRIVALLED SUCCESS

Join the care-free crowds who are arranging to hold their New Year's party at the ROYAL CONNAUGHT. A royal welcome awaits you.

This beautiful hotel offers you every possible facility for a successful party. No detail that will add to the enjoyment of yourself and your friends has been overlooked. . . . joyous surroundings, excellent service, superb cuisine, supplemented with dancing and a complete round of festivities specially arranged for the occasion.

MAKE YOUR RESERVATIONS  
NOW!



The ROYAL CONNAUGHT  
a Fine Hotel Serving  
HAMILTON, ONTARIO  
and the  
Beautiful Rich Niagara Peninsula

ing with acts of violence, and make it sufficiently clear that they intend to repeat their performance at the next, the next meeting can be prevented by the police, and its organizers, if they persist in holding it, sent to jail; or, more shortly, that A may not hold a lawful political meeting if it is clear that B intends to break it up."

This appears to be a fairly accurate description of the situation which was brought about in Montreal last month, as also of the situation which was created in several United States cities in connection with proposed meetings in the Communist interest during the Presidential campaign. *The Times*, commenting on Mr. Asquith's letter, opines that "No sensible person would be sorry to see local authorities empowered, in the public interest, to forbid the holding of any political meeting—other than those required for the carrying on of constitutional government—which they had good reason to suppose would result in a breach of the peace." The acceptability of this rather startling statement depends entirely upon the extent of the reservation about the carrying on of constitutional government. In a democracy we should suppose that almost any kind of meeting—certainly any kind of meeting for the purpose of discussing any action or suggested action of the government or of any subsidiary authority—could properly be regarded as "required for the carrying on of constitutional government"; but it is precisely this kind of meeting which is now most likely to result in breaches of the peace. The whole question is extremely difficult, and is much complicated by the fact that there is now a considerable element in the population of Canada as of most other countries which is only too willing to provoke breaches of the peace on all sorts of occasions. There are two ways of dealing with this attitude. One, which may be difficult, is to endeavor to prevent the peace-breakers from breaking the peace even when the meeting which they use as a pretext is held. The other, which may be easier, is to prohibit the holding of any meeting which they are likely to use as a pretext. In the business of government the easier way is not always the better.

NOW—THE PENINSULA WAR GROUNDS ARE AVAILABLE

A desirable estate somewhat muddled up but with plenty of space; well provided with Rivers, Mountains, Ruins, Refugees, Monuments and Cathedrals.

Well warmed by the Sun and fully Air-Conditioned. Simply write us saying who you wish to fight and details will be arranged. You will be accorded reservations and dates at the earliest possible moment.

DO NOT DELAY. Engagements already booked:

GERMANY v. RUSSIA . . . . . Feb. 17, 18, 19 and 20

JAPAN v. CHINA . . . . . Mar. 6, 7 and 8

ALBERTA v. OTTAWA . . . . . Apr. 1

ITALY v. . . . . (Opportunity for small Opponent)

Overtime will be arranged if required.

It is now hardly necessary to relate what a service this inspiration proved to the World. All the currently impending wars were cleaned up and the moderate fees charged by the Non-Intervention Committee were set aside for the reconstruction of Spain and the resettlement of the inhabitants.

Only, unfortunately, there were no inhabitants left.



## —History of Canada, December 14-21

## AGRICULTURAL PLAN—NEW STYLE

## EMPIRE

**Shipping:** Imperial Shipping Committee recommended two new ships larger than those at present in service be built for Canadian-Australasian Line. The committee reported that an American line has captured most of "through" passenger traffic between North America and Australia.

## U. S. RELATIONS

**Inland Navigation:** Representatives of Canada and United States discussed basis of uniform navigation rules and shipping regulations for Great Lakes with view to treaty. **International Tribunal:** Jean Francois Hostie, Belgian banker, appointed as third member of Trail Smelter Arbitration Tribunal.

## DOMINION

**Agriculture:** Dominion-Provincial Conference of ministers of agriculture reported to have endorsed proposal of Hon. J. G. Gardiner to reorganize federal department with a view to promote more satisfactory marketing of farm products based on a policy of shifting emphasis from control over the producer to an attempt to reduce costs of production and distribution; the conference of ministers constituted themselves a permanent committee on agricultural marketing, and agreed upon federal-provincial co-operation to provide "rational" grading of farm products. Mr. Gardiner and the three premiers of prairie provinces agreed upon plans for rehabilitation of residents of drought areas. Wheat at Winnipeg reached seven year "high". **Civil Service:** Petition to Parliament requesting immediate restoration to normal of all civil service salaries prepared by Amalgamated Civil Servants of Canada.

**Communication:** Network of radio stations for two-way communication with airplanes opened in Northern Saskatchewan, Alberta and Northwest Territories. **Defence:** Hon. Ian MacKenzie, minister of defence, announced complete plan of reorganization of non-permanent active forces; militia now consists of 20 cavalry regiments including four armored car units, 91 infantry regiments including 26 machine gun battalions and six tank battalions, 110 field artillery batteries, 31 artillery batteries, two heavy artillery batteries, two coast guard artillery brigades, six anti-aircraft units.

**Finance:** Hon. Charles Dunning announced National Finance Committee consisting of the federal minister and the provincial treasurers, which recently met in Ottawa, will continue in existence on permanent basis. **Parks:** Hon. T. A. C. O'Connor announced tourist visits to national parks during season just closed exceeded all previous records. **Postoffice:** Postmaster General Elliott announced more frequent mail service in certain sections to Maritimes, Northern Ontario and Quebec and Alberta. **Tariff:** Ontario Association of Motor Coach Operators asked Tariff Board for free entry of bus chassis and bodies.

**Canadian motor car manufacturers** charged Tariff Board that a cartel in plate glass industry prevented intra-empire trade in safety glass. **Trade:** Canadian exports during November \$26,000,000 above same month year ago. **National Revenue Department** announced. **Transportation:** Government by order-in-council authorized C.N.R. to build \$1,500,000 bridge over Saint John River at Fredericton replacing one destroyed by ice jams last spring.

## ALBERTA

**Dividends:** Premier Abernethy stated Alberta administration will never pay Social Credit dividends in "bank" money. **Industrial Relations:** Ruling of recently formed Industrial Relations Board prohibited employees of Alberta stores working Christmas Eve. **Unemployment:** One policeman and several unemployed slightly injured and 10 unemployed

arrested in Calgary during protest demonstration against Government order compelling unemployed to accept farm work or be cut off relief. **Provincial Relief Officer A. A. MacKenzie** announced signing of federal-provincial agreement for expenditure of \$180,000 in work-with-wages plan for unemployed.

## BRITISH COLUMBIA

**Liquor Control:** Amendment of provincial Liquor Act to facilitate police activity against bootleggers recommended by Hon. W. A. Macdonald, commissioner in Vancouver police investigation; the commissioner found that Tucker charges of police protection for Vancouver criminals are "without foundation". **Municipal Affairs:** A. M. Anderson, successful C.C.F. candidate for Vancouver council, resigned as alderman when it was discovered part-time employment by city engineer's office disqualified him.

## MANITOBA

**Income Tax:** Privy Council dismissed appeal of federal civil servants within province against imposition of Manitoba's special two per cent. income tax. **Liquor Commission:** Unloading of cargo of Ontario draft beer prevented by Manitoba Liquor Commission although shipped from Ontario before regulation sale of draft beer manufactured outside province went into effect. **Unemployed:** Doctor appointed by Winnipeg Medical Society to study conditions in relief dining halls reported single unemployed men are "over-told".

## ONTARIO

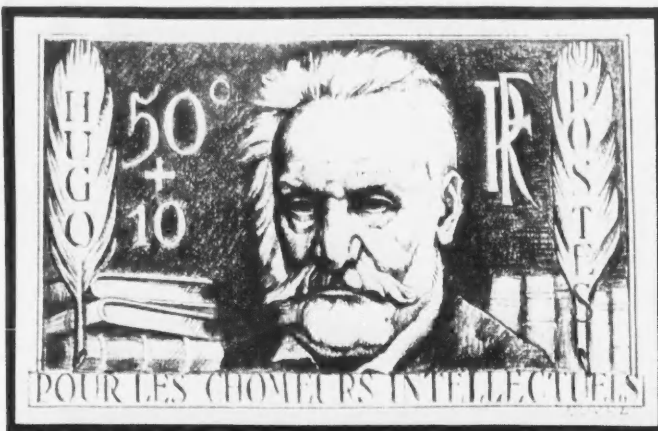
**Cabinet:** Charles W. Cox, Liberal M.L.A. for Port Arthur and mayor of that city appointed minister without portfolio in Ontario Cabinet. **Finance:** Province sold 15 year three per cent. \$20,000,000 bond issue for 98.51 to yield 3.125. **Hydro:** Verbal battle between Premier Hepburn and Globe and Mail prepared way for reconsideration of Quebec power contracts; representatives of three of the Quebec companies announced their willingness to negotiate new agreements and some of the directors of one company arrived in Toronto to be available for a conference with the Premier.

## QUEBEC

**Courts:** Mr. Justice Wilfrid Lacombe, appointed to fill Quebec Superior Court vacancy caused by death of Mr. Justice de Lorimier, took oath of office. **Forests:** Department of Lands and Forests announced estimated winter cut of pulpwood and timber on Quebec Crown lands 742,000,000 feet, giving employment to 40,000 men. **Labor:** Lumberjacks, recently assured minimum wage of \$40 per month, petitioned Hon. Oscar Drouin for regulation setting minimum at \$52 with no deductions for time lost through bad weather. **Minister of Labor:** announced orders-in-council setting minimum wages for furniture workers and maximum hours for bootblacks. **Municipal Affairs:** J. Adhemar Raynault elected mayor of Montreal by 3,880 majority over former mayor Camille Houde and 27,295 over Candide Rochefort, Union Nationale M.L.A. for St. Mary's.

## EDUCATION

**Rhodes Scholarships:** for British Columbia David Fulton, graduate University of British Columbia, son of late F. J. Fulton, K.C., minister of lands in a former provincial government; for Ontario, J. G. Davoud, Kingston, undergraduate Queen's; and J. K. Macdonald, Guelph, undergraduate University of Toronto; for Quebec, John S. Hodgeson, Montreal, undergraduate McGill; and Roger Gaudry, Quebec City, undergraduate Laval. **Montreal:** Premier



**NEW FRENCH STAMPS.** Two of the new stamps which are to be issued shortly and which will be sold at a price slightly above their face value, the difference to be devoted to a fund for assisting unemployed members of the Arts and Professions. The stamps memorialize historic figures in the Arts and Sciences—in these instances, Victor Hugo and Louis Pasteur.

## UTTERANCES

**Hon. Vincent Massey,** High Commissioner for Canada, telling the Authors' Club, London, England, that the languages spoken in England and America are becoming somewhat similar: "The day may come when Oxford professors will tell their classes how Mary Stuart was bumped off and King Charles I was taken for a ride". **Judge Helen Gregory McGill** of Vancouver Juvenile Court advises husbands: "Don't keep your wife for a pet or she'll become a pest."

## OBTUARY

**Bass, Oscar N.,** (K.C.) Victoria, B.C., former deputy attorney-general of British Columbia (70). **Brooke, Norman Samuel,** Montreal, former vice-president and general manager Royal Securities Corporation. **Brown, William Gaines,** Minnedosa, Man., former mayor of Minnedosa (69). **Davis, Mrs. Emma,** Edmonton, (100). **Dickson, Gordon F.,** Vancouver, mining engineer, managing director Vidette Gold Mines, Ltd., and former metallurgical chemist at the Mint, Ottawa (72). **Dugal, R. Arthur,** Quebec City, provincial superintendent of insurance, former president Canadian Association of Insurance Superintendents (64). **Eckardt, Arthur E.,** Toronto, general manager R. Laidlaw Lumber Co., past president Wholesale Lumber Dealers Association (73). **Fridtjofson, Jon,** Winnipeg, Icelandic composer, composed music for millennial of Iceland's Parliament in 1929 (71). **Hobbs, Augustus, Elora, Ont.,** chairman Elora Hydro-Electric Commission. **Loy, George D. Madoiros,** Valleyfield, Que., former M.P. for Beauharnois, former mayor of Valleyfield (94). **Lundy, Cecil Stuart,** Kingston, former assistant editor Queen's "Review" (34). **Marcon, Andre,** Ottawa, former inspector R.C.M.P., former police chief of Hull (68). **MacDonald, Dr. R. F.,** Antigonish, N.S., physician, member of board of governors St. Francis Xavier University (52). **MacInnis, Mrs. Flora,** Vancouver, mother of Angus MacInnis, M.P. for Vancouver East (39).

## LABOR

**Dominion:** Premier King and Hon. Ernest Lapointe replying to demand of Catholic Workers Confederation that communists be banned from Canada and that Canada should have U.S.R. tried before League of Nations on charges of disseminating revolutionary propaganda stated that the present was no time to set nation against nation and that the Government's means of combatting communism within the Dominion would be efforts to seek the goodwill of all classes and the creation of conditions of contentment and prosperity of the people. **British Columbia:** Vancouver Grain Export Association protested to Hon. George Pearson, provincial minister of labor, against Hours of Work Act in so far as it affects ships loading grain. **Manitoba:** Winnipeg city council passed resolution upholding right of employees to join unions and bargain through them with employers and requested provincial Legislature to make present collective bargaining law effective. **Ontario:** Plasterers on Toronto's new Stock Exchange building went on strike temporarily as the result of controversy with bricklayers' union as to which trade should properly handle a new material which replaces plaster but is not applied with a trowel. **Steel workers' strike** in Niagara Falls continued. It is first strike in Canada called by an organization affiliated with the Lewis Committee for Industrial Organization of the United States. **Quebec:** Federation of Leather and Shoe Workers asked special committee revising Collective Labor Agreements Extension Act to recommend creation of permanent provincial commission to hear disputes between labor and employers. **Apprentices of Dominion Textile Co.** at Sherbrooke ended strike under tentative agreement of minimum wage of 12½ cents an hour.

## POLITICS

**Alberta:** Provincial Liberal party announced it will hold convention to select new leader at Calgary, April 3. Three Calgary aldermen who recently repudiated Abernethy form of Social Credit expelled from Alberta Social Credit party. **Quebec:** Leaders of women's organizations throughout province began organizing for another attempt to secure votes for women.

## PERSONAL

**Alberta Wheat Pool** elected: president, H. W. Wood; vice-president, C. Jensen. **Quebec Forestry Engineers' Association** elected: president, Henri Roy, Quebec; vice-president, Howard Kennedy, Hull. **United Farmers Cooperative Co.** elected: president, Harold Currie, Strathroy; vice-president, R. J. Scott, Belgrave; secretary, H. H. Hannam, Toronto; treasurer, S. R. Newland, Toronto.

When the stormy winds do blow

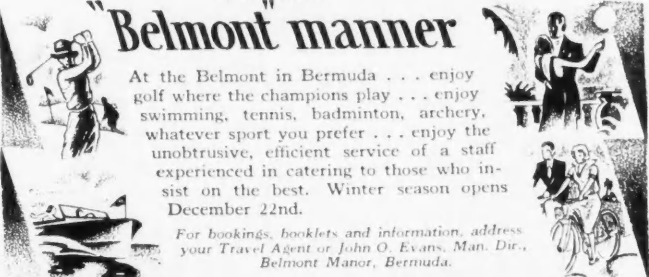


meets the need for a smart looking shoe, heavy enough for winter wear, yet not too heavy for wear at the office! Made specially for the T. Eaton Co. in a choice of black or brown calf leather, with leather heels, in brogue and other styles. Widths A to E in sizes 6 to 11. Priced to give good Eaton value—\$7.00 PAIR.

SECOND FLOOR—QUEEN AND JAMES STS.

THE T. EATON CO. LIMITED

Enjoy life this winter in the "Belmont" manner



**Belmont Manor AND GOLF CLUB Bermuda**

**McAlister, Mrs. Lottie,** London, Ont., editor Canadian White Ribbon Tides (78). **McCue, Wilson,** (K.C.), Smith's Falls, Ont., president Lanark County Bar Association. **Shaw, C. M.,** Montreal, superintendent of transportation Montreal Tramways (62). **Smith, Mrs. Hannah,** Burton, N.B. (102). **White, Senator Richard** Smeaton, Montreal, publisher Montreal "Gazette" (71). **Woods, Rev. A. W.,** Vancouver, senior chaplain 3rd Canadian Division during the war (73). **Worden, Frederick,** Montreal, treasurer and director Cassidy's Ltd. (68).

are asked to show their appreciation of the program by making a noise and consequently do so—which is only polite.

This criticism applies only to what might be called the studio broadcast and not to concerts such as that of the Philharmonic Symphony Society or the two Sunday evening hours. Neither does it apply to broadcasts in which the people watching the performance are to all intents and purposes "extra" players themselves. Imagine an amateur hour without an audience ready to turn thumbs up or down, or "Show Boat" with no outsiders to lend their aid in imparting to it the illusion of its being in reality what it pretends to be.

There is one program on the Canadian air which could be almost drowned out by the enthusiastic applause of its audience without running the risk of being censured by the most capricious critic. This is the broadcast of "Christie Street Capers" which each Thursday evening is put on the C.B.C. national network (and also an American chain) from the little theatre at Christie Street Hospital in Toronto—a hospital which reminds us that eighteen years after its end some of our fellow countrymen are still paying the price of war.

**WEDNESDAY:** Last evening asked W. Albert Tannenbaum if in his opinion I have grown unduly censorious or if I am right in thinking that variety shows and programs featuring comedians and popular orchestras have got into a rut and are lacking in originality. Albert pointed out that as my favorite occupation for over two years has been listening to radio programs I have gradually adopted the role of self-appointed critic and have been listening more and more from that angle. He added that if it were possible to hear a broadcast of six or seven years ago I would realize what strides have been made since then.

The master of the house was hungry at breakfast, and swallowed a good part of his bacon before he tasted it. Then he began to protest violently to his wife about the flavor of the food. His wife offered no apology, but rang for the maid. "Maggie," she inquired, serenely, "what did you do with the bacon we poisoned for the rats?"—Vancouver Daily Province.

## RADIO DIARY

BY CLARISSA DUFF

**MONDAY:** Have just discovered a letter I wrote about six weeks ago to Santa Claus. According to family tradition it should have been burnt in the drawing-room grate in my childhood's home and waited in some mysterious fashion to the North Pole. Instead it was placed in a drawer of my desk and forgotten—which is just as well, perhaps, as it was a plea for a Christmas gift of radio programs that are different. Santa Claus, accustomed though he is to bringing radio sets to people who ask for them, would probably have found my request for a present of a new type of program to come over the set I now have a most perplexing one and out of his line completely.

After thinking it over have resolved to see what can be accomplished by my own effort. Have decided to write to some of the Pooh-Bahs of radio (or should it be the Ko-Kos?) and to point out that while new program ideas are warmly welcomed by listeners, these novelties when heard over and over again cease to be novelties and instead become a bore. Am also considering whether or not I shall be sufficiently tactless to write letters of the wrong kind to several of radio's most famous stars. It is a well-known fact that a fan letter may be four pages in length and put together with the smoothness and clarity advocated by Mr. H. W. Fowler, or it may be scrawled across a half sheet of newspaper, but no matter how it is expressed the gist of a fan letter should be: "I think you are swell!"

This being the case I am afraid that Jack Benny will be disconcertingly surprised at receiving a letter from me telling him that he is in danger of losing two of his staunchest supporters—Ronald and myself. It is possible that we have grown tired of Mr. Benny's brand of humor, though it seems to us that it has changed of late. Leaving that aside entirely, we both find Don Wilson's continual laughter, coupled with the almost hysterical merriment of the spectators in the studio, irritating in the extreme.

**TUESDAY:** It seems to me that the question of allowing an audience in the studio while a radio program is being put on the air is one which should be gone into carefully by producers and sponsors alike. It stands to reason that experts should have fairly accurate information with regard to what the general public wants in the way of radio entertainment in all its branches; therefore, they must be convinced that the presence in a broadcasting studio of a group of spectators who laugh and clap at short intervals must be agreeable to the people who are listening in their own homes to the program. Otherwise these spectators would not be permitted to go into the studio at all. In my opinion these visitors are a disturbing element, though they should not be blamed. Left to themselves they would no doubt be quiet and unobtrusive—but as a general rule they



MUSSOLINI'S SUCCESSOR? Count Ciano, the Italian Foreign Minister and son-in-law of Il Duce, and who, it is said, is being groomed to succeed to the Dictatorship, addressing a meeting in Berlin.



# NEW ZEALAND'S LABOR MINISTRY

BY J. A. STEVENSON

THE first Labor Ministry that New Zealand has known is now at the end of its initial year of office. However much its opponents may dislike its program and be apprehensive about its ultimate consequences, they have to admit that Premier Savage and his colleagues know what they are after and have shown no disposition to trifle in the measures which they have already sponsored as steps towards the attainment of their avowed objective of making New Zealand "the first effectively socialistically-controlled country in the world." Mr. Savage is living up to the reputation which he won in opposition of being an able, courageous and fair-minded politician, and if some of his Ministers are inexperienced, the total team which he leads is as competent as any of its recent predecessors.

The Savage Ministry is happy in the possession of a majority of three to one in the popular chamber and of two to one in the Upper House, and its tactics have been comparatively simple. Before it presents a measure, it secures the approval of the party caucus for it, and when the Opposition, which is both weak in numbers and debating power and lacks skillful leadership, tries any obstructionist tactics, it applies the parliamentary steam-roller through the closure rule. As a result, it has been able to pass without much difficulty a series of bills which are highly unpalatable to most of the business community, inasmuch as they make serious inroads upon the structure of local capitalism. It has transformed the Reserve Bank into a state-owned institution, but it dealt fairly with the private shareholders by paying them the market price for their shares on the day of the last election; and Mr. Nash, the Minister of Finance, has declared that the Cabinet has no more intention of operating the banking system than of going to Wellington Hospital and operating on the patients there.

The first Budget, produced on August 4, presented some problems, as the government had made heavy commitments in regard to improved and additional pensions which alone called for an extra outlay of £1,710,000, but it blithely raised the income tax to make it produce an additional million pounds and restored the graduated land tax from which it is hoped to extract £500,000. But there were other heavy increases in expenditures, and the realization of the small surplus which was budgeted for will depend upon the natural buoyancy of the revenues and the advent of greater prosperity.

THE Government has abolished the old Railway Board and brought the railways under direct control of the Department, which had administered them apart from a few short intervals since their construction was begun 70 years ago. It passed a generous variety of measures designed to improve wages and conditions for all classes of workers, and it contends that the restoration of wages to the pre-depression level and the introduction of a forty-hour week without any accompanying reduction in the weekly wage will raise internal purchasing power and increase consumption.

The Savage Ministry has also bought out on equitable terms the private shareholders in the semi-public Mortgage Corporation and created a State Advances Corporation with a capital of a million pounds. Its main business will be to make loans to farmers at low rates of interest, but it will also make advances to local bodies for the purpose of remedying the shortage of 20,000 dwellings which now exist in New Zealand and is empowered to make loans for the promotion of industrial enterprises. The Government has also resumed direct control of broadcasting and has led the way in the British Commonwealth in decreeing that the proceedings of Parliament are to be broadcasted.

AS DEVOTEES of "national planning" Mr. Savage and his colleagues hold that the only effective method of achieving the orderly development of trade and industry is through planned state control and regulation. So as a start they have embarked upon a bold experiment with the dairy industry, which is now the most important of the country's economic activities, and have entrusted it to the care of the Minister of Marketing, who has also been made Minister of Marketing. Mr. Nash is an Englishman born at Kidderminster in the Midlands in 1882, who first emigrated to New Zealand in 1909 as the agent of a firm of British manufacturers. Later he became an ardent Socialist, and having been appointed national secretary of the Labor party in 1926 gets a large share of the credit for building up the efficient organization which helped his party to victory a year ago. As a New Zealand delegate he created a very favorable impression at the Pacific Relations Conference at Banff in 1933, and his business experience will stand him in good stead, because as Minister of Marketing he is now in business on a large scale.

After the Easter recess of Parliament he introduced a bill which provided for the marketing of New Zealand's produce by the state and the payment of guaranteed prices to the producers. By it there has been established a Primary Products' Marketing Department, which has absorbed the functions and most of the personnel of the Executive Commission of Agriculture, created in 1934, and it is authorized to arrange for the purchase of produce on behalf of the Crown and for its sale in New Zealand or overseas. In regard to produce destined for domestic consumption it can either purchase it outright or control the sale and distribution, but it is to buy everything intended for export at prices to be fixed from time to time and sell it overseas. For the season which opened in August the Act is only to be put into full operation for the two major dairy products, butter and cheese.

The amount of the guaranteed prices was a delicate problem, and for the current year they have been fixed on a calculation based on the average prices received for New Zealand's exported dairy produce in the

ten years prior to July 31, 1935. After this year prices will be fixed on the same basis, but consideration will also be given to the following additional factors:

(a) The necessity of maintaining in the public interest the stability and efficiency of the dairy industry;

(b) The costs involved in the efficient production of dairy produce;

(c) The general standards of living of people engaged in the dairy industry in comparison with the general standard of living;

(d) The estimated cost to the Department of marketing the dairy produce affected and also the cost of administration.

For the domestic market prices can be fixed whether the state purchases the produce or not, and the Government aims to give producers catering to it the same price as if they were exporting.

In introducing the bill Mr. Nash declared that it was a component part of the Government's credit policy and balanced economy in which it was leading New Zealand belatedly in the wake of other countries. He frankly admitted that one of its objectives was the elimination of the middleman when he said: "Too much of the wealth of the country went to people who were clever, and the Government

is anxious to see that a larger return goes to the people who work." Then he went on to say: "We will try to give the farmer what he is entitled to and what he has never had, not even from a farmer's government—decent prices for the work he does. If his wife has got to work—and I hope she won't have to work—then the price to be paid to him ought to compensate her for her share of the work."

He explained that there was no intention of limiting at present the amount of dairy produce for which the guaranteed price would be paid, and the latter would be revised, if rising costs made an increase necessary.

MR. COATES, the Leader of the Opposition, and his followers, assailed the bill as "a radical and untried experiment," and as "red socialism," but Mr. Nash retorted that he did not care what color the measure was and that it was based on sound common sense and would harm nobody. The Opposition put up a stubborn fight, insisting upon a referendum among the dairy farmers, and forced twenty divisions and six applications of the closure before the Bill became law. The idea of the Government is that by their scheme they can control and correct difficulties both in production and in marketing, that

they can eliminate the disastrous price fluctuations which were aggravated in the post-war era by land speculation and rash borrowing on mortgage, and that they will ensure an orderly expansion of production at a rate which will allow New Zealand's products to be absorbed at stabilized prices and will avert the ruinous price declines of the past.

During the debate Mr. Nash admitted that this particular policy could not be effectively carried out without the goodwill of Britain, which was New Zealand's main export market, and that it was based on the hope of reciprocal agreements with the mother country.

Accordingly, Mr. Nash, who passed through Ottawa last month and conferred with our Minister, is now in London discussing with British Ministers the required agreements which he desires. His basic proposal is that if Britain will bind herself to take a certain volume of New Zealand's products every year, New Zealand on her part will undertake to apply the accruing credits firstly to the liquidation of her debt obligations in Britain and secondly to the purchase of British goods which New Zealand cannot herself economically produce. He has avowed a desire for a special bilateral agreement with Britain, because not only is New Zealand more dependent upon the British market than any other Dominion, but also, being less



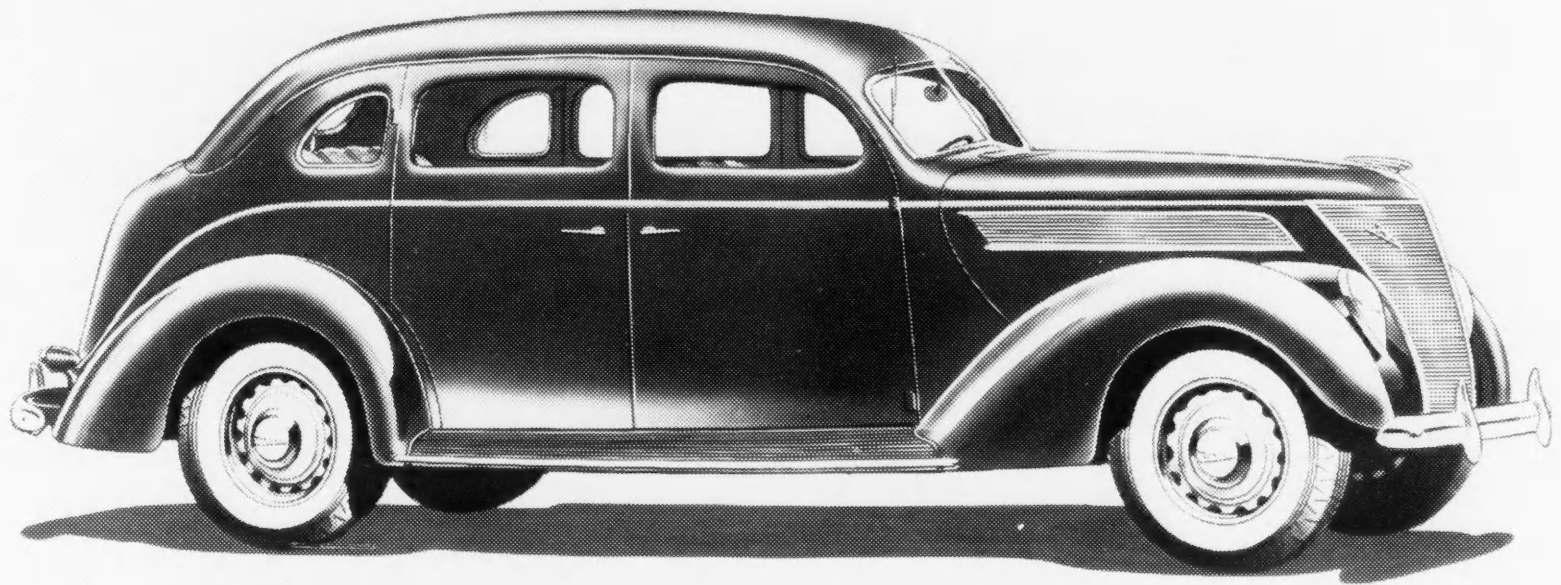
PIANIST. Jose Iturbi, who comes to Massey Hall on Feb. 2nd. Mr. Iturbi replaces Mr. Horowitz in the Celebrity Concert Series, the latter's tour being cancelled because of illness.

highly industrialized than any of the others, she is able to offer greater favors to British manufactured goods. But, while Mr. Nash may think there is room for more generous mutual concessions than in bargains between Britain and the other Dominions, the British Government will only depart with reluctance from its policy of accord-

ing the same scale of treatment to all the Dominions. Moreover, New Zealand desires not merely an assured but an expanding market, so that its domestic production can be gradually enlarged, and on this point its aims come in conflict with the avowed objective of the British Government, which is pledged to promote a revival of British agriculture and knows that its own dairy farmers dislike even the present volume of competition in butter and cheese from New Zealand.

In one of his speeches Mr. Nash thus proclaimed the ideals of his Government: "Capitalism has shown the possibilities of production. Its spirit—the spirit of acquisitiveness—has perished in its effort. We must organize production and distribution. Work must be the title to wealth. Idle labor and unused resources insult the governing authorities while hunger in the widest sense, hunger for food, clothes, shelter, leisure, culture and freedom, are with us in any measure. The remedy is organized production for use—co-operative production—individual use, a new economy of human living to ensure which requires unqualified community command over natural resources from which all things needful to life have to be drawn."

Altogether the present New Zealand Ministry can show an impressive record of bold enterprises for its first year of office, but costs of production and living have begun to rise ominously and in financial circles in London there is a general prediction that currency inflation will be an inevitable corollary of the Government's economic program.



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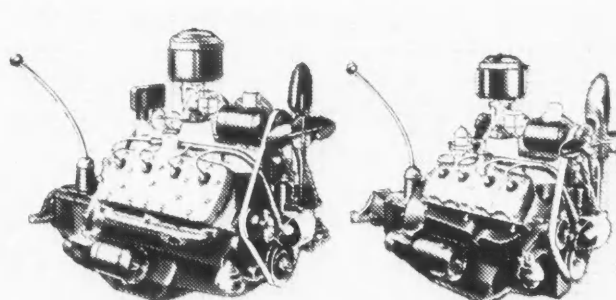
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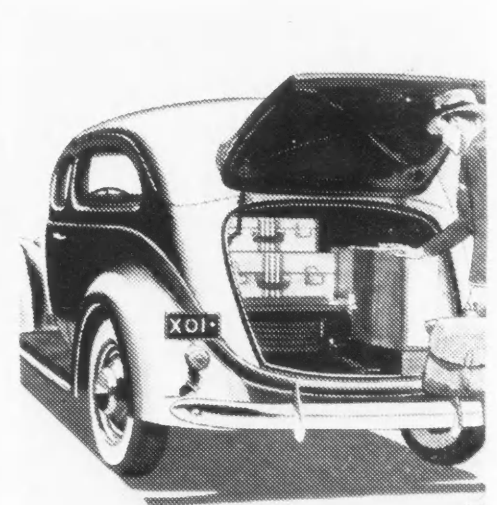


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them back in the afternoon.

## MUSICAL EVENTS

BY CHRISTOPHER WOOD

NOT the least excellent feature about the Toronto Symphony Orchestra is its quite delectable capacity for unbending at appropriate times, and the fact that each member of it seems to hide throughout the season beneath a dignified and serious exterior a versatility wholly admirable, which, it is decreed, shall have outlet at Christmas time. Now this is an excellent thing, entirely as it should be, and this year's Christmas Box Symphony Concert proved, upon the whole, superior to last year's and this despite the fact that a second one must be harder to do.

As last year the concert started seriously enough, but with appropriately festive music—Dvorak's Carnival, and the Pastoral Symphony from Bach's Christmas Oratorio. Also, as last year, the audience was invited to sing carols—"God Rest You Merry, Gentlemen," "Good King Wenceslaus," and "Noel." Some verses of the second of these were sung by men's voices, some by women's and some by both. Reluctantly I am compelled to admit that the women were superior. Again, as last year, a symphony of Haydn's formed the turning point from gravity to mirth, and surely the music of no composer is more suited to this purpose. The "Surprise" Symphony is such happy, cheerful stuff, and one felt that the jovial "Papa" Haydn would not have minded the liberties taken but enjoyed them. And the surprises that came with the second movement of this symphony were such as Haydn never dreamed of. Chairs collapsed beneath violinists and the orchestra revolved in sections, leading in with absurd tunes which yet fitted dexterously. Sir Ernest chased them off the stage with every appearance of frenzy. Then, Mae West strolled across the stage and a number of cellists rose up with avidity and followed her. There was something so supremely natural about this move on their part that one is tempted to draw inferences would this not be inviolable. At the last Sir Ernest was hit over the head with a violin. For one terrible second I supposed that Mr. Blackford had been carried away by the drama of the scene and used his own fiddle. But no, it was a rubber one. Sir Ernest was then borne out on a stretcher to the strains of Chopin's Funeral March. As the lights went up for intermission Mae West fled across in front of the platform, hotly pursued by a number of musicians carrying their instruments like so many musical hounds. It was an unusual spectacle, and so devastatingly funny that I almost feared my companion would require medical attention.

After the intermission and a carol had passed Sir Ernest as Santa Claus, who had previously come down the chimney at the back of the stage with presents for some charming children in "Nights," sober members of the orchestra at other times, and had reappeared later in a sled from the back of the hall, conducted a work composed by himself during his interment in Germany during the war. It was called "Under the Sea" and proved to be a highly ingenious hotch-potch of war tunes, etc., woven together humorously. It would be impossible, however, to enumerate considerably each of the many items. There were two special highlights: Murray Adaskin as Mr. Carl Czajkowski, the guest conductor a la Charlie Chaplin, and Mr. John Adaskin as a bold and tough violin player from East Hastings. He played Scott Macdonald's toy-horn concerto with much gusto and a good deal of argument with Donald Heins, who was master of ceremonies, and a very good one, too. At the last the orchestra returned to a slight degree of sanity and played Otto Cesana's "Nigger Heaven" and "Add Lang Syne" followed.

All this delightful nonsense was got up by the orchestra members and the entire proceeds go to the Orchestra Association fund. It is their Christmas present to the Association, and they deserve all the praise which Col. Bishop bestowed upon them in a short address at this concert.

THE third concert of the Eaton Auditorium Variety Series was given by the Dana Ensemble, the Polish Singing Quintet. There is no doubt that the work they do is quite well done; the ensemble is excellent and there were but few loose edges. What they sang, however, haunted a pretty low artistic level, and might well have appeared more at home on the vaudeville stage. There were many strange arrangements of more or less popular works, not the least curious being Schubert's Serenade with all the accompanying piano figures sung to the syllable "No." Nor was a Chopin Etude much happier in the guise of a male quartet with piano accompaniment. One was a little surprised, also, to hear the pebbly strains of a piano introduction in the patrician atmosphere of a concert hall. None the less, one must not be too hard on such a group who are quite unpretentious and sin-



A SCENE FROM "PRIDE AND PREJUDICE", the dramatization of Jane Austen's novel which comes to the Royal Alexandra Theatre, Jan. 4-5-6. The people are Muriel Kirkland as Miss Bennet and Lowell Gilmore as Mr. Darcy.

cere, and the Polish Folk Songs were quite excellent. A whole program of this sort of thing is a bit too much, however.

THE choir of the Park Road Baptist Church, under the direction of Miss Muriel Gidley, gave a concert in the church last Thursday, December 17. To be exact, it was called a carol festival, but it was not a service and the program included many numbers other than carols. Not the least important of these were the four chorale preludes—three by Bach and one by Karg-Elert—played by Miss Gidley with a precision and musicianship not

too common in church organists. Indeed, the whole concert had considerable distinction, both in the choice of program and in the quality of the choral work. While it was far from faultless, the weaknesses were only such as are inherent in choral work which was mostly unaccompanied. Moreover this is not one of the large churches which can attract the best singers available, both soloists and chorists. Such concerts might well be undertaken by other small churches who would have to do well to achieve as high a standard as this, for much of the work chosen was of considerable difficulty.

## AT THE THEATRE

"END OF SUMMER"

BY B. K. SANDWELL

MR. S. N. BEHRMAN seems to be playwright-in-ordinary to that reigning comedienne of the American stage, Miss Ina Claire. He did "Biography," in which she last appeared here two years ago; and he did "End of Summer," which she has been performing at the Royal Alexandra the first half of this week. He is a highly accomplished writer of amusing dialogue and a shrewd observer of contemporary character-types, and he has a good eye for a situation. But one is left with a feeling that Miss Claire could very adequately act a much deeper study of human nature than Mr. Behrman gives her, and that it is indeed her brilliant comedy talent that enables her to give solidity and three hours of life to a part which the author has seen too superficially to justify the prominence given to it. "End of Summer" is a very entertaining play, but Leonie Frothingham is not a great part.

She is intended as a study of the effects of great inherited wealth (made by the previous generation) on the less responsible of the womenfolk who acquired it in the early part of this century; and there is a contrasting picture of the succeeding generation of wealth-owners in the person of her daughter Paula, a young woman of the post-war generation, of sound character and fine courage, but with a natural uncertainty as to what she wants of life. This part was well played by Susan Fox, to whom the audience would probably have been quite willing to give an enthusiastic curtain call had it been permitted.

The real interest of the play is in the characters whom Leonie has gathered around her since her semi-separation from her husband. These include a brilliant adventurer of the psycho-analytic profession, an Irish leftist editor on the make, a leftist university graduate with no job, his eminent scientific father who has just lost his job (and who seems to be for-

gotten by the author after Act Two), and a Russian count with an inferiority complex. But it is the types themselves that entertain us rather than the effect which they produce in the Frothingham household; and what ought to be the main subject of the play, the relation between mother and daughter, only occupies our minds briefly and at long intervals. This is certainly not the fault of the producer, the brilliant Philip Moeller, nor can it be blamed on the acting, which is uniformly of high accomplishment. Rather it seems to be a part of the whole tendency of the modern stage (influenced no doubt by the cinema) to ignore structure in favor of a uniform spreading of entertainment value over a succession of episodes and conversations. The result of this technique is that the dramatic crisis of the play, an old-fashioned device by which the daughter is made to show up the hollowiness of the psycho-analyst's professions of love for the mother by announcing his desire to marry the daughter herself, is left unconvincing and ineffective, whereas by proper preparation it could have been made highly dramatic. The logical conclusion of contemporary stage technique would be to abandon all attempt at a crisis, but Mr. Behrman is not ready to go so far as that yet. Meanwhile Miss Claire does everything that could possibly be done with the part of Leonie, except make it live consistently and "in the round," and does it with no visible effort except for the first five minutes.

Wife—"I've put your shirt on the clothes-horse, Jim."  
Jim—"What odds did you get?"—  
Sydney Bulletin.

"Did you give your wife that little lecture on economy you talked about?"  
"Yes."  
"Any results?"  
"Yes—I've got to give up smoking cigars."—U.S.S. Reina Mercedes Gullon.



"THE SNOW QUEEN". The sketch by Eric Aldwinckle for one of the stage settings which he designed for the Christmas pantomime production of the Hans Andersen fairy story at Hart House Theatre, December 26 to January 2.

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# THE BOOKSHELF

CONDUCTED BY HAROLD F. SUTTON

## ENGLAND AND GERMANY

"The Kaiser and English Relations," by E. F. Benson. Toronto, Longmans, Green, 331 pages, illustrated. \$4.00.

BY EDGAR McINNIS

THERE is something about the English which compels other peoples, much against their will, to a tribute of exasperated admiration. It is not wholly the result of Britain's magnitude or Britain's power, though these undoubtedly have their importance. It is certainly not the result of affection, and still less of any faith in the honor or loyalty of "perfidious Albion." Yet in spite of dislike and distrust, the Englishman continues to impose himself on other races as a being whose approbation is sought and whose favors and friendship are valued. It may be due to nothing else than his sublime self-confidence. It may be that other nations, sure though they are of their own worth, cannot help feeling their convictions a little inadequate in the face of such assured superiority. They do not like that feeling. They bitterly dislike its cause. Yet in spite of themselves they cannot help feeling that a person who assumes so confidently his own perfection must have some reason for his assumptions, and, dazzled though resentful, they surrender to his spell.

Such was the attitude of the Kaiser to his mother's native land. No portrait of William II is adequate without a full appreciation of the tremendous importance he attached to English opinion of himself. He might boast of Germany's superiority. He might say harsh things about English policy and the English character. Yet if there was one consistent element in that volatile and inconsistent career, it was a desire for the friendship and admiration of the English people as a whole.

Unhappily for Europe as well as for himself, the methods he adopted were inevitably destined to produce precisely the opposite results. Simple friendship was never enough to content him. His insatiable vanity combined with his gnawing self-distrust could only be satisfied with constant adulation. England must look upon him, not only as her friend, but as her only friend, and the only one she desired. She must creep under his buckler, sheltering there from the rage of the rest of the world and gazing with trustful and adoring eyes at the heroic figure of the War Lord whose generous protection she recognized implicitly as the only bulwark between her and disaster.

This was rather a lot to ask from the British Empire. Neither Salisbury nor Lansdowne nor Grey was precisely the sort of man to take such an attitude of admitted subservience. And so the Kaiser was in a constant state of irritation at England's blindness and ingratitude, and ready, if she would not bow with soft words, to prove her need of Germany's support by accentuating her difficulties in world politics. The abrupt alteration of these tactics—the range of conduct from the Kruger telegram to the Tweedmouth letter—only increased England's conviction of his unreliability and her determination to resist his mischievous attempts to embroil her with other powers. That course was all the easier since those other powers had had similar experiences and had come to the same conclusions. What Harold Nicolson says of Holstein was equally true of the Kaiser's master: "He is a man who is not content with immediate things, he is forever inevitable that the rivals of Germany should sooner or later combine together to resist the blackmail which he imposed."

IT IS this side of the Kaiser's career that is the subject of Mr. Benson's latest book. The portrait which he presents may be overdrawn in places, but the accuracy of its main outlines is established by an overwhelming mass of testimony. The Kaiser's constant desire to cut a brilliant figure, to outshine all possible rivals, to stand in a position of acknowledged supremacy in whatever situation arose, amounted to an obsession that was almost psychopathic. There could be no acceptance of any setback, nor even an acquiescence in tranquility, lest, deprived of the limelight, he should experience those insidious doubts which always threatened to shatter the armor of his self-esteem. He had to be constantly playing a leading role; he had to be constantly appearing in a succession of uniforms, each symbolic of a new aspect of his authority. In other circumstances this obsession might not have been dangerous. But unfortunately it happened to symbolize only too well the spiritual state of Imperial Germany, with its sense of being a newcomer among the great powers, its readiness to seek out and resent any slight on the part of other nations, its abrupt bad manners that sprang from a combination of pride, greed and self-distrust. And when the attitude of the Emperor was mirrored in the policy of his ministers and hailed by the plaudits of his subjects, the peace of Europe, however little they desired such a result, was placed in constant jeopardy.

The story of this tragedy is told with Mr. Benson's usual ease of narrative and felicity of style. It is perhaps somewhat narrow in its range, and omits some aspects which might well be dwelt on. He fails to bring out the importance of the scramble in the Far East between 1895 and 1900, which gave to Germany such scope for a policy of blackmail and intrigue. He is far from clear on the importance of the colonial issues which loomed so large in the German mind at the end of the century. And although he brings out the Kaiser's interest in naval development, he hardly does justice to the Emperor's hysterical insistence on expansion for its own sake. A fuller use of the British and German docu-



AT CRESCENT SCHOOL PRIZE DAY. Mrs. Walter E. H. Massey, Rt. Hon. Arthur Meighen, who presented the academic prizes, Headmaster W. R. E. Williams, Rev. J. R. P. Slater, D.D., who presented the athletic prizes, and Denton Massey, M.P.

ments would have revealed certain points which the author seems to have overlooked.

His study, in consequence, is by no means as significant as it might have been. As a picture it has light but no depth, and the student of this period need not expect to find in this volume any striking contribution. But it is in many ways a useful summary of one very important aspect of pre-war international relations; and the reader who desires an introduction to the problem of Anglo-German relations in the twentieth century will find this study both readable and informative.

## A MADDENING BOOK

"Atlantic Crossing," by G. Wilson Knight. Toronto, Dent and Sons. \$2.75.

BY LUCY VAN GOGH

A DEFINITELY maddening book. Professor Knight is determined to work out for himself his own explanation of the universe and of his part in it, which is the most praiseworthy ambition that an author can have. He is convinced that in doing so he dare not neglect any experience that comes to him—that the ultimate flash of illumination is as likely to be found in the bulbs of an electric-light sign as in the sword of the aurora borealis; in the eyes of a dancing-girl at a cabaret as in the candles on the altar—which is perfectly true. But it is he, not his reader, who has to recognize the flash, to pick out, as the locomotive engineer picks out, the significant lights from among the bewildering mazes of the insignificant, and Mr. Knight doesn't do it. There are pages in this book which are literally blazing with illumination upon some of the obscurest corners of the human mind. There are others that have not, so far as this reviewer can see, any more significance than the entries in the school-boy's diary: "Rain. Got up. Did lessons. Went to bed."

"Memory," he tells us, "is a too-course sieve that holds rough stones while letting rich gold-sand fall." True, but you do not produce a work of art by merely refining the mesh till it holds everything but water. There is a sorting process that has no relation to size; gold is separated chiefly by its weight, and apparently it is against Mr. Knight's principles to weigh. . . . Perhaps he is right and we are wrong. Perhaps there is nothing really insignificant if memory holds it, whatever the mesh of the sieve. James Joyce seems to proceed

on that principle; but then I have never been able to read "Ulysses" all through. . . .

The universe undoubtedly looks different from mid-ocean, no matter what kind of vessel one is in. (Probably it looks more different still from mid-air, but few of us stay up there long enough to get the new viewpoint established in our minds.) So to a landlubber a trans-Atlantic crossing is necessarily a revelatory experience. The revelatory factors are numerous and diverse. They include seasickness, about which Mr. Knight has many profound observations; a singularly heightened awareness of sex; an alteration in the pace of time; a sort of telephoto view of the phenomena presented by human society on dry land where it belongs. Mr. Knight develops all these, and many other factors, and the result is a highly novel and vivid discussion of modern life. Among his most interesting conclusions is this, that orthodox Christianity has failed because it has lost sight of the Eros element in humanity, carefully borne in mind by all other religions. It is odd that in this connection he makes no reference to the view—predominant surely today among Protestant thinkers—that a closely impending and catastrophic end of the World was a fundamental element in the whole fabric of early Christian thought. Eros cannot be important to a race whose physical existence is doomed to an early end.

## HEADLINE-HUNTER

"I Found No Peace," by Webb Miller. Toronto, Musson. \$3.50.

BY WILLSON WOODSIDE

TO GET the essence of the man Webb Miller one should read the last chapter of his book first. He appears here for what he is: an essentially honest, unpretending reporter. Of his courage, nerve and ingenuity the rest of the story gives ample proof.

It is the story of a backward boy off a wretched Michigan tenant farm who got hold of a copy of Thoreau's "Walden," and the idea of being a newspaperman. He was a tenacious boy, and so in 25 years he has worn out three copies of "Walden" (but has still not found the peace of which Thoreau wrote), and has risen to be European news manager of United Press.

A man who has been covering Europe for 19 years has some interesting stories to relate about historical events and the men who made them. Plenty of these are in "I Found No Peace". Most of the wars of our time, the Villa affair, Great War, Riff War, and Eth-



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loplan war, are here; an assorted dozen conferences get scant notice; India of the Ghandi non-violence days comes in for several chapters.

Miller visibly develops as the book runs its course (and he relates at some length his efforts to improve himself). Yet I venture to say that it is not in his memoirs of the great events which he has covered that the interest or value of the book lie. For Webb Miller is no Gunther, nor is his book an "Inside Europe". Webb Miller is an agency man, kept dashing hither and yon over Europe, Asia, and Africa in chase of news, news, news. It is a story of the "scoops"—he seems to be a world-beater at "scoops"—he has made, victories over his opponents of 15 minutes, a half-hour, even several hours in reporting wars, hangings, and alarms of all sorts.

Here is how our news is brought to us, here is the agency man at work, hurrying, hurrying, chasing hot news, getting headlines for his agency, reporting objectively what he sees, not called upon to form opinions or attempt interpretation of events. "The most important thing I learned professionally was that the truth about anything is difficult to obtain."

"I have had unusual opportunities for observation of world history. I have read hundreds of history books. . . . I felt I should form definite opinions about the fundamental problems of the world. . . . But I must confess that generally I have not succeeded."

He finds "that relations between nations are essentially similar to relations between individuals. They are subject in the main to the same instincts of self-preservation, fear, ambition and avarice." I am convinced that the Old World is being rushed toward destruction. "The only thing in the European situation that I feel absolutely certain about in my own mind is that another great war cannot be avoided."

"Often I wish I could find the peace which 'Walden' represents to me. . . . but now I am starting back to Europe to cover the next war."

## LAWRENCE OF ARABIA

"Portrait of T. E. Lawrence," by Vyvyan Richards. Toronto, Nelson. \$2.75.

BY MARGARET LAWRENCE

FRIENDS and relatives of celebrities should never be allowed to write biographies of them. They get self-conscious. If Mr. Richards had written a simple memoir of T. E. Lawrence we should have been grateful to him and so would future historians, for upon such primary sources of data biography can be assembled and presented, for every detail about the personality and ways of a famous person have place in the consideration of the serious biographer. The friend and the relative trying to write a biography which means weighing and balancing the contribution of the person under treatment in the story of history is blocked by the former intimacy.

The imagination gets choked by personal memories, and fails to take the necessary creative pitch. We can never live the life of a person with whom we shared the daily routine and we can never at the same time stand aloof enough to estimate the relation of that individual life to history, which is what the biographer has to do. It is a particular technical trick. The biographer has to be caught imaginatively much as an actor is caught in the interpretation of a role.

and at the same time he must also be caught by the much larger aspect of the whole of a period into which his subject played.

Mr. Richards took his task too seriously. He had enough to do setting down his memories simply and with enthusiasm. Instead of that he attempted to analyze Lawrence and to smooth the incidental criticism of his friend. And Lawrence eludes him in a book as he probably did in life. So on the whole it is a pity because Lawrence is, and will remain one of the most fascinating and mysterious persons who ever took a ride through history.

## AMONG THE NEW BOOKS

"Strolling Through Cottage England," by W. S. Percy. (Collins, \$2.50). In this book the author sets out to explore the varied beauty of English cottage homes. Investigating first the development of cottage architecture, he begins his stroll in the southeast corner of England and thence wanders in haphazard fashion through the Cotswolds, down into Devonshire and Cornwall, up through the Midlands to Lancashire, the Lake District and Yorkshire, and thence back through East Anglia to the Home Counties. His book is an informal but informative survey of the many styles of cottage home encountered in his pilgrimage and is flavored with literary and historical reminiscence. The illustrations in color and line are by the author whose previous volumes are "Strolling Through Scotland" and "Strolling Through England".

"The Rolling Year" by W. J. Blyton. (Blackie, \$2.25). "Cottage Into House," by Anthony Armstrong. (Collins, \$2.50). Mr. Beverley Nichols is not the only English journalist who has rediscovered the charms of the English countryside. Here are Mr. Blyton, a London newspaperman, and Mr. Armstrong, the well-known contributor to "Punch" and author of the successful play, "Ten Minute Alibi", with books that record their adventures and experiences in the English countryside. Whether Mr. Nichols has set a fashion, or whether it was that he was alert enough to observe a trend and in his quick way to be the first to set it between book covers, we have no means of knowing. But it seems quite definite that London literateurs are going biocentric in a big way and that you cannot throw a stone down any given garden path without hitting two or more of them.

Mr. Blyton has gone at the matter more conclusively than his confreres. He has not only renounced the city in an unmistakable way but has gone back to the land in the thorough fashion that means tilling the soil and tending live stock. "The Rolling Year", which is a sequel to his "Country Airs", finds him deeply committed to a new way of living, but not to the extent that he is forgetful of his earlier craft; he writes with a literary charm and grace which suggest that the pen is still mightier than the sword, even when that sword has been beaten into a ploughshare.

Mr. Armstrong writes in lighter vein. He is not the new pioneer, but a city man who wanted a place in the country for himself and his family and he views his adventure of turning a week-end cottage into something resembling a small country estate with no small amount of humor.



IGOR STRAVINSKY, the noted composer, who will be guest conductor with the Toronto Symphony Orchestra at its next concert at Massey Hall on Jan. 5th



# THE FILM PARADE

BY MARY LOWREY ROSS

## RETROSPECT: 1936

AS THIS is the list-compiling season it might be as well to present a summary of screen preferences and prejudices for the year 1936. The following list, compiled from memory, is a strictly personal estimate of the Ten Best—i.e., the films which I should be willing to see twice—and the Ten Worst—pictures which even in retrospect bring a dull, undiminished ache.

The Ten Best: "Romeo and Juliet," "Winterset," "Green Pastures," "Modern Times," "The General Died at Dawn," "Come and Get It," "The Story of Louis Pasteur," "The Prisoner of Shark Island," "The Devil is a Sissy" and "Mr. Deeds Goes to Town." On second thought I shall have to extend the list to eleven, to include "Fury" because of its unforgettable mob scene, and in spite of its weak and damaging conclusion.

Half of these pictures are based on stories written directly for the screen. That is to say fifty per cent. are at least as effective on cinematic as on literary grounds. It looks as though the movies were beginning to stand, though still a little waveringly, on their own feet. Of the adaptations, "Winterset," "Come and Get It" and "Mr. Deeds Goes to Town" gained at least as much as they lost in transition to the screen—"Mr. Deeds" in particular owing the greater part of its dexterity and charm to the direction of Frank Capra. Whether Shakespeare has anything to gain from screen adaptations—even from so superb an adaptation as Metro-Goldwyn-Mayer's "Romeo and Juliet"—is something for the Shakespeare scholars and the movie enthusiasts to fight out among themselves.

On its 1936 showing the screen has indicated a growing resolution to deal with the grimmer aspects of contemporary life. "Winterset," "Modern Times," "The Devil is a Sissy" are all pictures which reveal with varying degrees of candor, a world of inequality, and of brutal dehumanity and impoverishment. In these films at least we have some acknowledgment that people on this continent do not live exclusively in palatial mansions, country hideaways, and backstage in musical comedies.

Two of the group, "Come and Get It" and "The Prisoner of Shark Island," admit slavery and honest labor with certain phases of the American past. "Green Pastures," though it owed most of its distinction to the black players, is still a film achievement, since it was brought to the screen with a minimum sacrifice of respectability. "Mr. Deeds Goes to Town" and "The General Died at Dawn" are included on the list for no other reason than that they were entertaining.

In showing up a list of the Ten Worst I am limited mostly to those pictures which were bad in a really big way. There are plenty of films—of good twice a week, which are bad in a minor, unobtrusive way, pictures which the producers don't expect the public to take seriously and which they haven't taken much pains with themselves, so that there aren't any hard feelings either way. The Ten Worst-Looking pictures are pictures which aroused the wrath only after the public had been so deluged with advance publicity that it was uncomfortable in this weak state of taking what was offered and taking it.

My Ten Worst, then, are as follows: "The Magnificent Obsession," "The Charge of the Light Brigade," "Private Wire," "Hearts Divided," "Wife vs. Secretary," "The Poor

Little Rich Girl," "Mary of Scotland," "Reunion," "The Road to Glory" and "Rhodes the Empire Builder." Some of these were pretensions, some were banal, some were just heartbreakingly dull. One or two, e.g., "Private Wire" and "Wife vs. Secretary" were distinguished by what G. K. Chesterton used to call a "rich badness," a quality which he professed to prefer to mediocrity. (But Mr. Chesterton, as far as I know, never reviewed pictures.)

There were some minor items—"The Sins of Men," "East Meets West" and one of Ann Harding's masterpieces of inverted pietism, "The Lady Consents"—which left their scars. And there was a Janet Gaynor film, "Small-town Girl," which it doesn't do to think about. But none of these were in the real first magnitude of badness.

As for "San Francisco" I couldn't decide whether it belonged on the list of the Ten Best or the Ten Worst. Without the earthquake it would certainly have fallen in the latter group. Perhaps even with the earthquake it was bad on the grand scale, since the earthquake was a feat of carpentry rather than of the imagination. Better set it down as the supreme technical achievement of 1936, with a special medal to be struck off for those valiant extras who sat chatting and dining and waiting for the stage carpenters to start rolling barrels under the café floor.

It is possible that a number of items on my list of the Ten Worst will be found on somebody's list of the Ten Best. If so I hope they will remember that it's all unofficial and that year-end listings are just the cross the public must bear; and that they carry the crochets which reviewers, who endure quite a lot, are entitled to expose.

"THE Gay Desperado" with Nino Martini, is the best film of the week—in fact of several weeks. It's about Mexican bandits and quite free from that overwrought picturesqueness which usually afflicts films about Mexico. Ronin Mamonian directed it in one of his agreeable, lighter moods. It's gay and tummy and fun, one of those exceptional pictures involving opera stars which are not built slavishly about the star's special talent. Mr. Martini sings beautifully and never out of turn. It's a parody on the American gangster film, primarily, but it manages to make quite a number of effective comments on other aspects of American life as well.

## MUSIC NOTES

GREATLY to be commended in these days, when strictly commercial concert and theatrical management has practically given up all effort to bring internationally known artists to any but the largest centres, is the enterprise of such organizations as the Hamilton Community Concert Association. By a partially co-operative arrangement Hamilton is having the opportunity this season of hearing and seeing a number of the world's top-ranking productions and musicians. The audiences are frequently augmented by the attendance of members of affiliated Community Concert Associations in St. Catharines, Kitchener and London. Recently the Ballet Russe de Monte Carlo drew a capacity audience of fifteen hundred at the Palace Theatre under the Association's auspices. Other attractions on this season's series include Casadesu, the pianist; Nathan Milstein, violinist; Piatigorsky, cellist; and Marion Anderson, contralto.

# The Story of the Mines Vividly Told in SATURDAY NIGHT'S ANALYSES OF CANADA'S ACTIVE MINES

A book for all interested in the great developments taking place in Canada's north country—a book picturing the activities in each camp, giving such interpretations of facts about mines as will aid in forming conclusions of future possibilities. A book of 216 pages (12 x 9 inches in size) well bound and sewn to endure constant usage.

Consider a few excerpts from the Analysis of various companies—Established Dividend Payers—Producers—Young Properties of Promise.

## PIONEER OF B.C.

At Cadwallader Creek, Bridge River, in the Lillooet mining division of British Columbia. See map in blue section.

A consistent dividend payer since 1931, with over two and a half years' ore reserves in sight, without inclusion of ore indicated below the 14th level, Pioneer, B.C., must be considered in the investment group of Canada's gold mines.

## TECK-HUGHES

Teck-Hughes Gold Mines Limited is one of the three major gold producers of the Kirkland Lake area; and yet to get any true picture of this great mine, and of its future, it is necessary to consider also Lamague Gold Mines Limited; for as the Teck-Hughes management foresaw that their Kirkland Lake properties were approaching their peak they sought, and found, another mine, and now control and are developing Lamague.

## MACLEOD COCKSHUTT

It is generally understood that the shallow drilling indicated one million tons of ore of a \$12 grade above the 500-foot level. If underground work checks this it would mean that twelve million dollars could be developed quickly. It would be difficult to find a parallel case in Canadian gold mining where so much in reserve tonnage and values could be exposed in so short a time and at such a limited cost. The Hollinger No. 1 vein alone carried greater value but not tonnage.

The next six months should be most interesting.

## DOMES

Whether the Schumacher, the most recent addition to the Domes, is another new mine or an extension of ore bodies from other ground has not been made public; but it is a reasonable assumption that such large commitments as the deal

entailed would not have been made without definite knowledge as to general outlines and value of the Schumacher ore bodies.

The Domes, now an old mine, to-day looks still young.

## MCKENZIE RED LAKE

As development at depth continues to disclose further orebodies, the outlook for this gold producer becomes steadily brighter. Results during the first half of 1936 show considerable improvement over 1935 and further increase to mill capacity is planned. It has been officially announced that it will be the company's policy to distribute as much as possible to shareholders.

The company state that about 2 tons of ore are put in sight for every ton milled, as a result of continued development work.

## NORANDA

The improving earning position of this great company is in part revealed by the official estimate of profits for the first nine months of 1936. These are given as \$6,551,891.42, or \$2.92 per share. Since this profit is made up of \$1,952,288.95 in the first quarter, \$2,251,187 in the second quarter, \$2,548,145 in the third quarter, and since the recent increase in the price of copper will give added benefits for the fourth quarter, it is reasonable to assume that the net profits for the year 1936 will exceed \$4,000,000 on each of the 2,239,772 shares (a very small number for a property of such magnitude).

## MADSEN RED LAKE

The diamond drilling program is planned to involve 20,000 feet of drilling. This, it is expected, will give such an understanding of the property's possibilities as to enable a correct determination of the mill's size and as to its best

location. Much of the material necessary will be taken in after the freeze-up.

And the mill itself will be in production early in 1938.

## PAYMASTER

As the company is currently making gold at the rate of approximately \$80,000 a month, it seems reasonable to expect an increase in revenue for the year June, 1936, to June, 1937, of some \$200,000 (making the total approximately a million). This will substantially help earnings.

## MACASSA

The Macassa property is still in the comparatively early stage of development and while work to date has been decidedly important, indications go to show that even better results can be looked for below the 5000-foot level. Development work on the 2975-foot level opened up a total of 1,300 feet of ore, providing the best working level so far, with a further 700 feet of break still to be opened to the east before the Kirkland Lake Gold boundary is met. Highly interesting and promising prospects appear to be ahead of the development on the three new horizons.

The company is steadily adding to its surplus, which is estimated to be in the neighborhood of \$500,000, and is paying interim dividends totaling 15¢ a year.

## INTERNATIONAL NICKEL

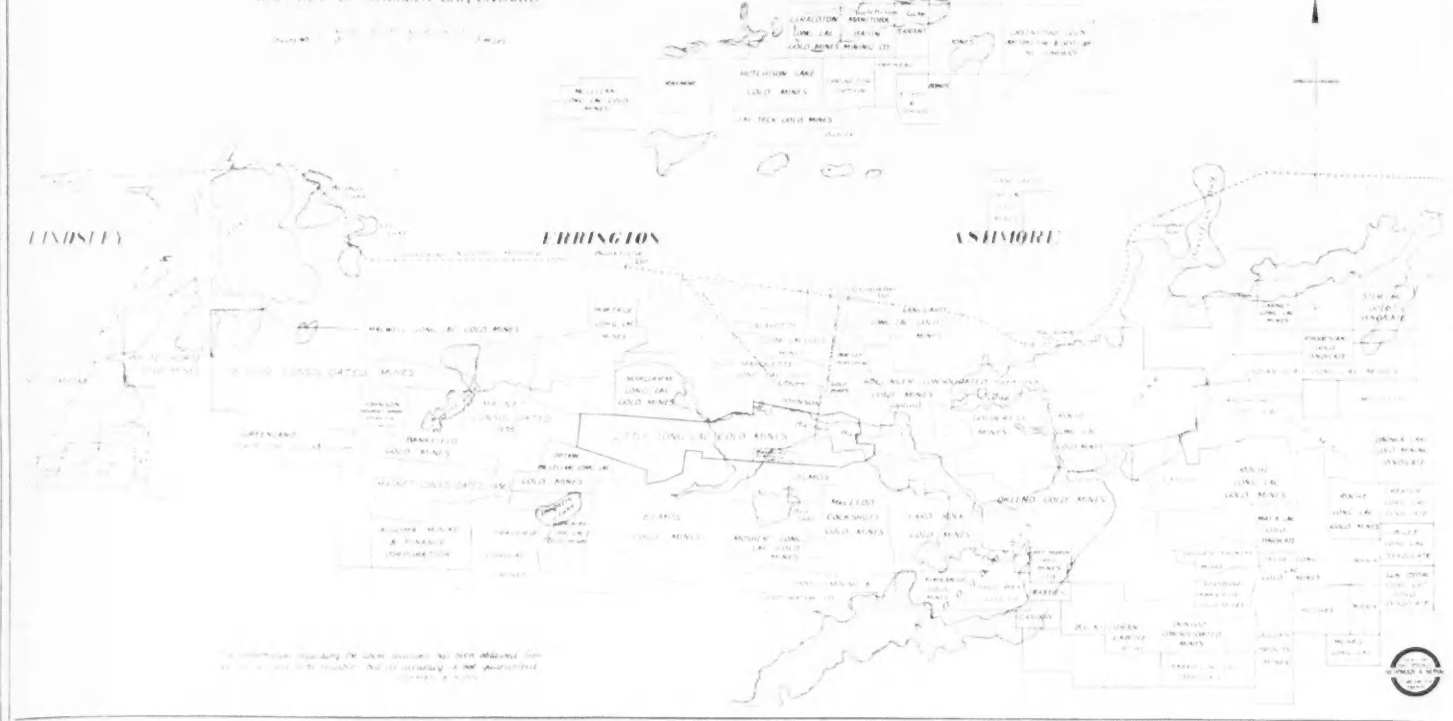
The net earnings for 1935 were \$1.65 per common share, of which 75¢ was paid in dividends on common shares. The present dividend rate on common shares is on a basis of 35¢ per quarter as paid September 30th, 1936. As the expense entailed in connection with the new smelter has been taken care of and a sound surplus has been built up, it is likely that the company will soon become more liberal in its disbursements to the holders of the common shares—especially as the output and the earnings are on the upgrade.

# A MINING ATLAS REVEALS THE LOCATION OF PROPERTIES

Each analysis states clearly the camp in which the property is located. Turning to the Atlas—easily found as printed in a special colored section—the property quickly may be located and its relative position to other properties seen.

## LITTLE LONG LAC GOLD AREA

DISTRICT OF THUNDER BAY, ONTARIO



SAMPLE MAP (slightly reduced) IN ALL TWENTY-SEVEN MAPS APPEAR AS FOLLOWS:

Principal Mining Areas of Canada: Bridge River: British Columbia North Western Quebec: Gold Area, Rouyn Gold Area, Cadillac-Matane Area North Western Quebec: Township of Beauchastel, Siscoe-Lamague, Pasquis Gold Area, Chibougamau Mining Area, Duparquet Gold Area, Schreiber Gold Area, Sudbury Mining Area, Kirkland Lake Gold Area, Larder Lake Gold Area, North-Western Ontario: Red Lake

Area, Little Long Lac Gold Area, Sturgeon River Gold Area, Matachewan Gold Area, Chester Township—Duck Lake District, Porcupine Gold Area (two pages), Michipicoten Gold Area, Hyslop Township, Ontario, Lake Athabasca Gold Area, Elm Flon Mining Area, Pickle Lake—Crow River Area, God's Lake Gold Area, Rice Lake Gold Area.

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Elizabeth

THIS IS the autographed photo of the Princess Elizabeth which she herself presented to the Hon. Howard Ferguson as narrated on page 2.



# SATURDAY NIGHT

SECTION II

PEOPLE

»

TRAVEL

»

FASHION

»

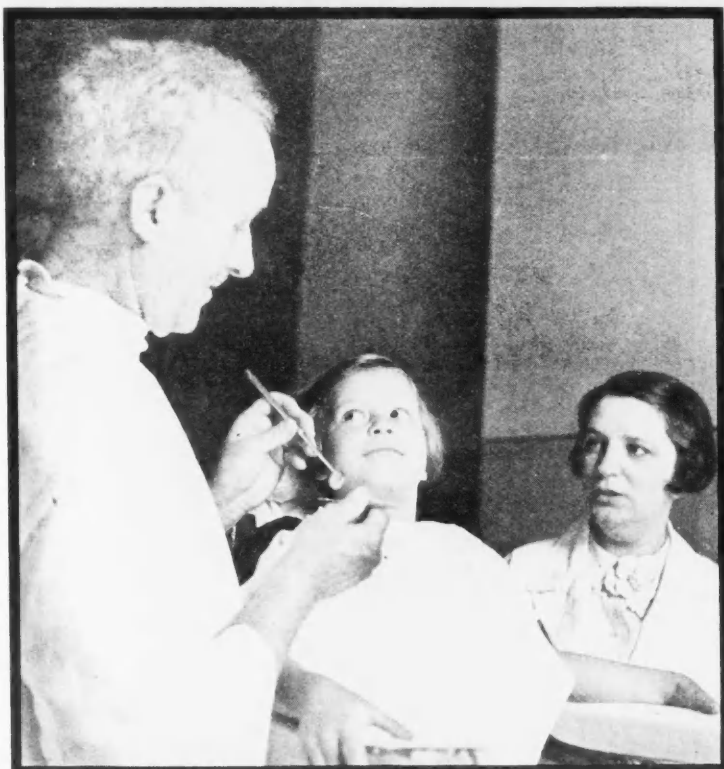
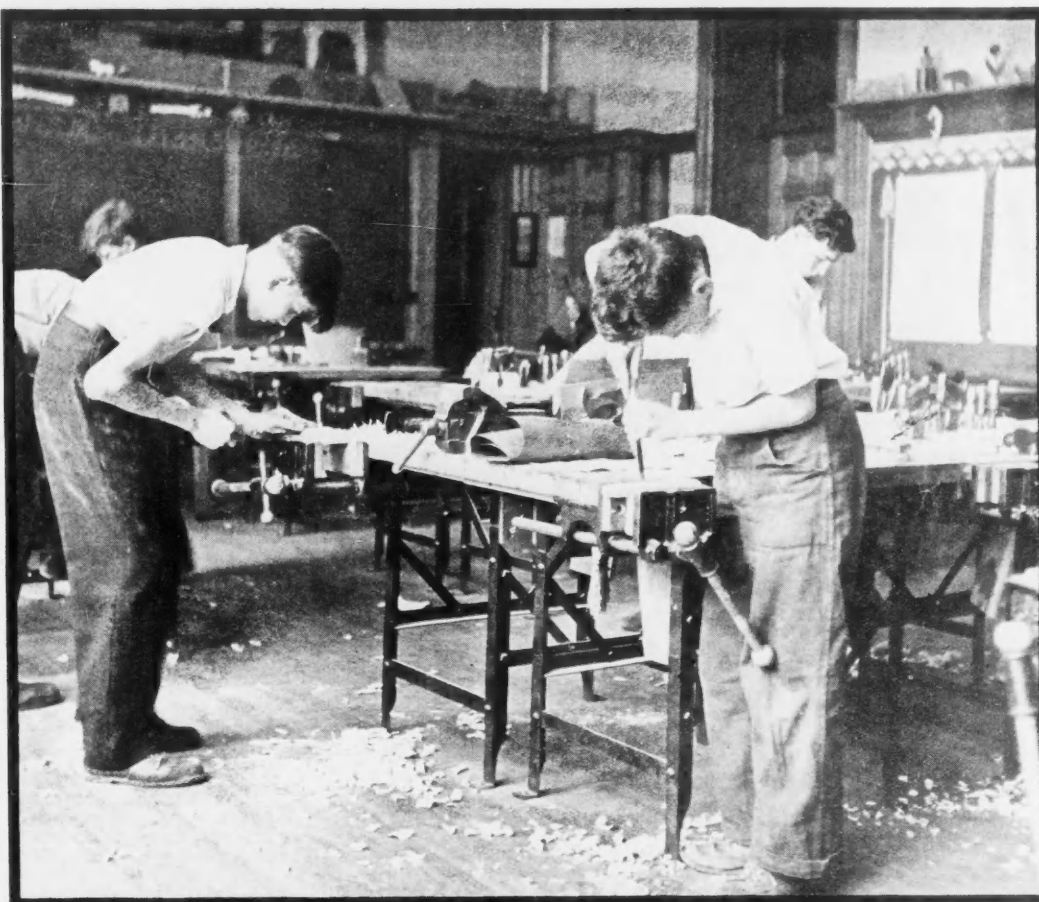
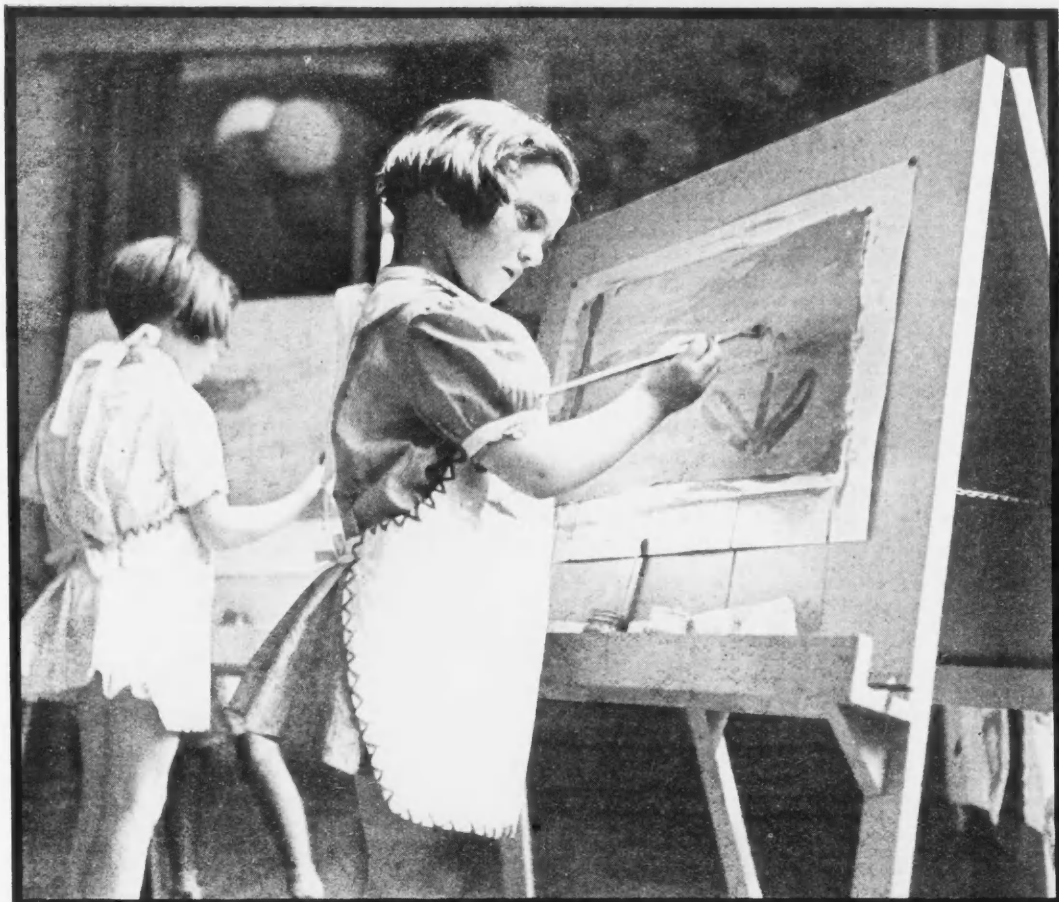
HOMES

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LETTERS

TORONTO, CANADA, DECEMBER 26, 1936

## THE THREE "R'S"? THAT WAS 'WAY BACK WHEN!



**R**EADING and writing and arithmetic! These may have sufficed in a simpler day and a simpler life. But the modern child lives in a modern world and the schools are doing their bravest to prepare him or her for the new complications of existence. These pictures, taken at Orde St. School, Toronto, show scenes typical of most of the city's schools.

*First row, left.* A study in concentration. Brush and paints replace the old-fashioned crayon in the encouragement of the creative instinct. *Right.* Manual training.

*Second row, left.* A little girl from a Junior room gives the dentist a confiding smile. Many Toronto schools have a fully equipped dental office. *Centre.* On the air! A budding news reporter summarizes the day's school events for the primary class. The young lady "announcer" should be able to get a job when television comes from "round the corner." *Right.* "Watch the Traffic Lights." The perils of city traffic dictated this new kindergarten game which accustoms the children to observe the light before crossing a street.

*Third row, left.* Playing store. *Right.* Dress-making. The girls are taught how to make their own dresses, aprons, blouses, etc.

*Photographs by H. M. Saul.*





# THE DISTAFF SIDE

BY MARIE CLAIRE

WHAT more seasonable greeting could we offer than a carol? We are proud to call the writer of this one, friend, and we print it with his permission.

Some say it is the birthday of the Child:

That Mary laid a little babe this day  
Upon the golden hay,  
(And who shall say them nay?)  
That so the whole wide world,  
beguiled,  
Broke into song,  
And Heaven on nature smiled  
To heal our wrong.

Some say the secret even lies more deep;

That in the manger Heaven's little one

First looked upon the sun:

(The sun through Him begun)  
That Love Himself did vigil keep  
When carols broke  
To rouse an age-long sleep  
And he awoke.

Oh, who may tell! It was so long ago  
That watching shepherds heard the angels wing  
Earthward, heard them sing  
Their sweetest offering;  
And yet, 'tis sure one thing we know  
That on this morn,

Across the gleaming snow,  
Earth's joy is borne.

ALTHOUGH we don't come personally under his jurisdiction, we hope the Pope recovers from his illness. He has had a hard job in the last 20 years. Seventy-nine is a dangerous age though—because it is seventy-nine.

We have never quite understood about the Pope anyhow and were more bewildered than ever when we heard that he had ordered Biagio Dignotti, his private artist, to start painting veils and draperies on Michel Angelo's nude figures in the Sistine Chapel. Signor Dignotti began in November and expected to finish the job before Christmas. The Pope decided the figures were too daring and offensive to Catholic morals.

The figures have stood up to a good deal of wry-necked contemplation over a period of four centuries. They were painted by Angelo in 1512, curiously enough to the order of a previous but dare we suggest, perhaps a broad-minded Pope. Anyhow it took one of the modernists to find them immoral.

Pope Pius XI is however not the first to worry about the majestic figures who so unconcernedly lean or lean about on the Sistine ceiling in all the magnificence of bare flesh and straining muscles that Michel Angelo painted so incomparably. Pope Paul IV intended to have the whole of them destroyed, but was dissuaded and had an artist called Volterra paint on draperies instead. Ribald fellow artists instantly christened Volterra "Bacchetone" and the poor man was known as the "broccoli artist" for the rest of his days. Someone must have unlocked the fresco again, for Clement XII began to worry about them two hundred years later and tried to have them repainted. As a matter of fact, the Papal Master of Ceremonies gave Angelo a bit of his mind for daubing so many undraped souls in the Last Judgment when he was doing the job. All he got out of it, though, was a portrait of himself among those writing on the side opening Hell. Which we think gave Michel the last word.

SPEAKING OF art galleries is a crowd of ones was in an art gallery in Rome last summer and as she stood contemplating (without any deep pleasure, she hastens to explain) a Canova Venus, a lady moved up beside her. She might, our friend says, have stepped out of a Helen Hickson illustration and she was obviously doing the culture of Europe thoroughly. "Isn't it nice to see the Venus intact?" she said enthusiastically, closing her handkerchief and half-closing her eyes to give Venus the benefit of really artistic appreciation. "Intact?" said our friend, rather puzzled. "Yes," said the lady, making a floppy gesture with both hands toward her shoulders. "One usually sees her without the arms."

MR. GERALD GOULD is dead. We wonder how many Canadians will feel the same little drop of the heart we did at seeing the announcement. There must be hundreds who knew him personally who will feel far more than that; but those who only knew

him through his work will miss him, too.

He was a poet, essayist and critic, and if he wasn't a genius, he was an artist. He had a genuine literary standard which he never lowered to salute "fashionable" writing, or flash-in-the-pan effects. His poetry is full of charm and sympathy. . . . "My Lady's Book" has been one of the previous occupants of our poetry shelf for years. "The Future of Laughter"—one of the collections of his articles in the *Observer*—is a treasury of examples of nonsensical humor and with his other books of the same type probably helped to account for the revival of the essay as a literary form in our generation. Princess Antoine Bibesco writes of him: "We are told he was limited in range; if loveliness be a limitation, what a lovely limitation."

The *Times* announcement finishes his obituary with two terse, and to us very satisfying sentences. "The funeral will be private. No flowers and no mourning." We think that is very handsome.

WE HAVE been looking over the dressing-gown situation lately with an eye to our own comfort, and might as well pass the result of our investigations on to you. Maybe you can exchange some of those "Ideal Giftees" for the satisfaction of something useful, this year. We admit this idea is low and revolutionary, but aren't we brought up to believe it's not the gift, but the spirit behind it that matters? You don't have to exchange the spirit behind, do you?

Those tailored gals' honeys, the pure Camel-hair wool bathrobes in natural Camel color can now be had elsewhere, as well as at Dr. Jaeger's shops. They're apt to be better cut by people who aren't too darn preoccupied with their camels. We find, though, mind, we yield to no one in our admiration for Dr. Jaeger. These English imports are guaranteed 100 per cent. pure wool, have big slash pockets and a deep fringe on the girdle. Other flannel ones we liked were, first, a rich brown flannel with deep quilted silk cuffs on the belted sleeves and short, extremely wide quilted lapels—very, very Chanel and trix; second, a navy blue, beautifully fitted and flared, with wide coachman's lapels and six buttons double-breasted it above the waist. Lapels, cuffs, button-holes and piping all of a tiny, old-fashioned cotton print in red and blue on cream. Slick.

The upholstery fabrics are, however, the big story here—and are they entertaining? There's a Cardinal's stay-at-home robe in a deep purplish-maroon hooded robe. The big sleeve tapers to a point over your slender white hand with its immense ring, m' dear, and there's a shawl collar, and a broad grille to wrap it in like a cassock about your slender waist. Very, very Richelieu.

A Princess gown, very much gored and fitted, of taffeta, pin-striped in black with occasional strips of black, white and yellow, is bound with yellow and black cord and is just so Victorian and cute you'd go nuts about it. And the plain benzeline (that old-fashioned corded silk) made up into fitted Princess hooded coats buttoned all the way down the front from their men's coat collars—O my! They come in the sweetest pale, pale pinks, and blues, and all white. Those with the silver-striped upholstery moiré—very sturdy and gay—in Carnation red, lime green or turquoise blue—pretty nearly did us in. It's well we saw the flannel ones first or what chance would they have had? Maybe you found a cheapie in your Christmas stocking?

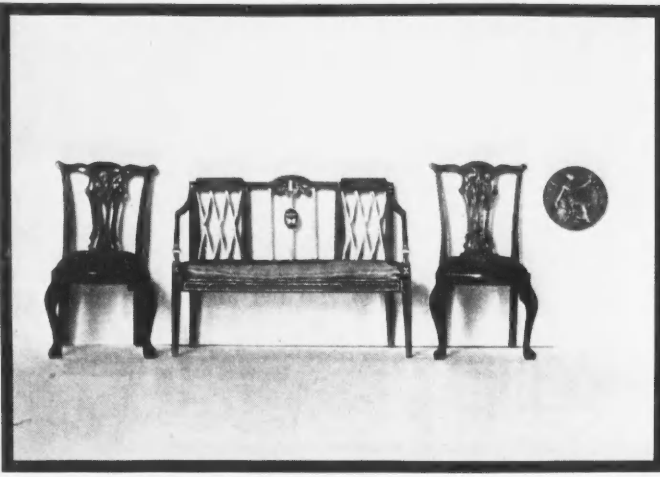
## TRAVELERS

Mr. and Mrs. T. Arthur McCrear and their son, Arthur, are spending the winter in Barbados, B.W.I.

Mrs. J. C. Meekins, Jr., and her daughter, Miss Vivian Meekins, flew from Raleigh, North Carolina, to Ottawa, where they are the guests of Mrs. Meekins' sister, Mrs. George Patrick and Captain Patrick, for the Christmas and New Year holidays.

Mr. and Mrs. Percy R. Gardiner, Miss Helen Gardiner and Mr. George Gardiner are leaving Toronto for Miami Beach, where they will stay at the Roney Plaza, returning about the middle of January.

Mr. and Mrs. George Gorham are spending the Christmas season in Toronto with the latter's parents, Mr. and Mrs. Hilton Thudhope.



HEPPLEWHITE SETTEE and Chippendale chairs, three of the miniature pieces in Titania's Palace. The penny at the right of the photograph indicates the scale of size.

## ABOUT THE HOUSE

BY BERNICE COFFEY

IT'S A PLEASANT thought—that of living in the garden in the summer-time, or of having a view of a wintry garden during the months of snow. The trend started in Europe, where it has been manifested for some time and is now quite general. Throughout France, Holland, Germany and the rest of the Continent windows have in many instances become entire walls of glass, with such internationally famous and widely imitated architects as Le Corbusier and Van der Rohe as pioneers in this type of design. This architectural thought now has taken hold on this continent, most prominently in California, and is rapidly spreading to other parts where the climate is more rigorous. Living rooms frequently are planned with a huge window or an entire wall of glass facing the most beautiful view available, both to bring the view indoors as an integral feature of the room and to flood it with sunlight.

Among the manifestations of the architect's bow to the craving for sunlight most noticeable in the building revival are the appearance of the sun-deck as a popular new home feature, provision for terraces designed for more outdoor living and the use of more and better-planned window space.

The sun-deck has appeared chiefly in the more modern architectural types, but it is rapidly being adapted to the conventional designs which are, and will doubtless be for some time, most general.

But even in the rigidly conventional types of design new houses and those being modernized are dispensing with the old-fashioned porch, or verandah, providing instead a terrace, so placed as to be most useful for both lounging and dining. The terrace and the general landscaping are generally fitted to the actual plans of the house to bring the outdoors inside as much as possible. In many cases an entire living room wall folds or slides open to make one continuous area of living room and terrace.

Both architects and home owners now are giving more attention than ever before to window space.

ALTHOUGH gardens, tucked under their blankets of snow, are asleep until the coming of spring, the true gardener always is thinking and planning for the time when his garden awakes. Which is a very good reason for saying something now about peatmoss. Peatmoss is important material to all gardens. Its extensive use is due primarily to the fact that it has proved valuable for many different purposes. It is clean and odorless and free from weed seed, factors which deserve to be stressed.

Peatmoss is vegetable matter of a brown color. It is dug from century-old deposits which accumulated along the shores of fresh-water lakes and is composed of sphagnum moss that has undergone only partial decomposition because the deposits were covered with water. Other plant parts, such as leaves, swamp plants and aquatic also enter into its composition. Peatmoss is found in almost all countries, but there is a difference, depending upon the age of the deposit, the plant material which entered into its composition and the degree of decomposition.

The peatmoss offered for horticultural purposes is of a light brown color

or when dry and rich brown when moist. Some grades contain more coarse material than others. This often is due to a lack of sufficient shredding and screening before the material is baled. The more even the texture the easier it is to use and the better its action upon the plants.

Its main use in the flower garden is to improve the soil. Being of vegetable origin, it adds humus to the soil. It benefits light, sandy soils by making them hold moisture. It acts something like a sponge, holding on not only to the water, but also to the dissolved plant food. It gives more body to the soil, and increases the content of beneficial soil bacteria. In a soil of medium consistency it acts in a similar manner, loosening the texture of the soil, which, therefore, warms up more quickly in the spring. Furthermore, it takes hold quickly of the rain water. Heavy soils are improved by it as much as the light ones. Used with sand, it changes the heavy soil so that it will absorb water more readily, also permitting more air to reach the roots of the growing plants.

Many plants take kindly to its presence. This is readily observed where lumps of peat are permitted to remain below the soil level. After a season's growth, these usually are well filled with a mass of fine feeding roots which found in it an even supply of moisture well laden with dissolved plant nutrient. This observation must not, however, be taken as a suggestion to apply the material unevenly. To the contrary, peatmoss should be thoroughly mixed with the soil in order to produce the best results with it. Apply the broken up material to the soil surface where it belongs. But only a second or third turning over of the soil or through cultivation with a deep, long-pronged cultivator will distribute it evenly.

On sandy or clay soils that lack humus and those of medium texture that are not very productive, large quantities of peatmoss may be used. A full size bale thoroughly distributed through the top eight inches of soil will be needed for a plot measuring from ten to fifteen to ten by twenty feet. To make such a heavy application worth while the peat must be thoroughly mixed with the soil or harm may befall the plants. If left unmixed with the soil it will dry out to the point where it will reject water rather than absorb it.

As a winter mulch, apply it to all plants, but do not cover those that retain top growth. Work it around the latter so as to admit plenty of air to the crown. For mulching purposes use one bale to two hundred square feet of surface.

## World of Art

BY G. CAMPBELL MCINNES

ON MORE than one occasion it has been my pleasant duty to say "Hats off to the Art Gallery of Toronto," but this week I raise my hat with a magnificent flourish in appreciation of one of the best arranged Christmas exhibitions I have seen. Obviously everyone has worked very hard, for the entire showing has been broadly and efficiently planned, and laudable excursions made into the realm of the sister arts of music and drama. On view till the New Year there are really three exhibitions—the Botticelli Madonna, Contemporary International Lithographs, and "Madonna" prints and reproductions of Italian and Flemish masters.

You will find the Botticelli in the Octagonal Gallery. It is a late work of the Renaissance master's lent by Lord Duveen, and although not a good example (you will notice, for instance, a finer Madonna reproduced upstairs in the Print Room) is an interesting one; and the rarity of Botticelli's visits here makes the painting worth careful study. A certain awkwardness in placing should not, indeed cannot, blind one to the exquisite linear pattern, the silvery aloof quality in the conception, the gorgeous interplay of subdued though rich blues, greens and reds, the repetition of significant shapes, and the contemplative monumentality of the whole composition. I cannot help thinking that it was quite unnecessary to paint the lily by backing the picture with superfluous draperies; but doubtless this is a matter for personal taste.

THE reproductions of Italian and Flemish masters have been well chosen and well arranged. I am not at all sure that this is not the most instructive section of the entire exhibition. The infinite variations which genius could produce in a few simple motifs—the Annunciation, the Flight, the Madonna and Child—show not only the rich reality of religious experience, but the changing reactions of races and individuals, from the semi-oriental mysticism of the Lorenzetti to



## Christmas Greetings

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## BIGNESS IN BUSINESS

A hundred years ago, before advertising was used extensively, there were very few really big businesses. Today there are many. Obviously, it has become easier for a little business to grow big.

For the public, there is great economic advantage in having many large business units. Factories can make and sell goods cheaper when they manufacture in large volume. This means lower prices. Also, scientific research is best conducted by big companies, because they can spread the cost over many individual sales. This means more inventions and better products.

Miracles are being wrought in the magic realm of research, sponsored by electrical equipment companies, large food manufacturers, automobile makers, and many other great industrial organizations. With infinite skill and patience, and at great cost, the creative brains of industry are constantly at work in company laboratories, forging new marvels of civilization. Consumers get the benefit of this scientific work when the newly developed products are put on the market. Such a program of research could not possibly be carried out by small companies, because too large a share of the cost would have to be charged against each article they sell.

Mechanical power has been an important factor in the creation of so many large business units, for power encourages mass production. But there can be no mass production until the sales volume is large enough to support it. Hence advertising is just as fundamental as mechanical power in building a large business, for it is indispensable in large scale selling. Today every small enterprise

is a potential big business. Many of the substantial large business concerns of this country grew from their infancy in a comparatively short time. Such fast growth was impossible three generations ago, as the means for rapid expansion were not available then. The greatest lack was the power of modern advertising.

In olden times, the growth of a business had to be slow in order to be respectable. Before it could join the ranks of big business, every aspiring young firm had to go through the painfully slow process of making its product known through word of mouth. Against the competition of established houses, this was a tedious and often hopeless task.

Nowadays a good product can be introduced rapidly through well-planned advertising. Even the smallest company can make its own place in the sun, and by winning public approval, can compete successfully with the largest concerns. In other words, the big fellow cannot have a monopoly so long as the little fellow is free to advertise his wares.

Thus advertising works both ways. In helping many small businesses to grow large, it prevents the big ones from establishing monopolies. While thus protecting the consumer's interest, advertising is a lever for lowering production costs and securing the benefits of scientific research.

Advertising is the medium through which many a great company was enabled to build itself up from an insignificant beginning, and to perform a vital public service. It preserves competition and promotes industrial progress.

Prepared by the

Bureau of Research and Education, Advertising Federation of America



THE ROYAL BEDCHAMBER IN TITANIA'S PALACE, created by Sir Neville Wilkinson, is remarkable for the beauty of the royal bed of fairland. Rugs, dressing tables and chests of drawers are perfect in every detail in this, as well as in the other sixteen rooms of this fairy mansion. Titania's Palace will be on view in Toronto for several weeks when the showing will be sponsored by the Rotary Club of Toronto in aid of its work for crippled children.

the sculptural austerity of Michelangelo, from the delicate precision of Jan van Eyck to the deep psychological insight of Pieter Breughel. And there is one of Perugino's bluest skies that should make you shout for joy.

The Lithographs—here through the courtesy of the National Gallery—demonstrate the awakening interest and the rising skill prevalent in a medium for long rather neglected. Two things impress one immediately—the skill with which nearly all the artists have made use of the elastic possibilities of the medium, and the (in general) freshness of their approach. Amid such a variety of work, this freshness is remarkable, and it may be that the medium is partly responsible. There are over 130 examples, and I can only briefly allude to those which made an especially fine impression on me. Oscar Laske's "Paradise" is perhaps the most charming and colorful, though for massive dignity one goes to two of Derain's heads (Nos. 28 and 29), Mallol and Lode Sengers. Bonnard and Vuillard, sometimes alluded to as "les intimistes", are particularly happy, especially in Nos. 8 and 124. It is interesting to compare the work of the three great Mexicans—Rivera's concentrated conscientious seriousness, Orozco's really terrible restraint, Charlot's somewhat uneasy primitivism. There is one good Matisse (91) and one good Laurencin (83). Finally, I hope you will not miss Adolf Deim's strangely nostalgic and arresting sunset, and the brilliantly horrid little impressions of suburban life by B. Tarnay.

## TRAVELERS

Senator and Mrs. A. D. McRae of Vancouver, with their daughter, Mrs. Lucille Rae Paul, are sailing by the Empress of Japan on January 9 for a trip to the Orient.

Mr. Lionel Massey and Mr. Hart Massey, sons of the Canadian High Commissioner, who are attending Balliol College, Oxford, are spending the Christmas holidays with their parents, the Honorable Vincent Massey and Mrs. Massey, in London.

Mr. and Mrs. Frank Vehlslage of New York, will be in Toronto for Christmas, the guest of the latter's mother, Mrs. Gordon Shaver. Mrs. Vehlslage was formerly Miss Patricia Watson.

Mr. Justice and Mrs. Ainslie Greene are leaving Ottawa soon after Christmas for Toronto where they will reside in future.



# PLANNING FOR THE CITY'S SUBURBS

BY H. S. M. CARVER

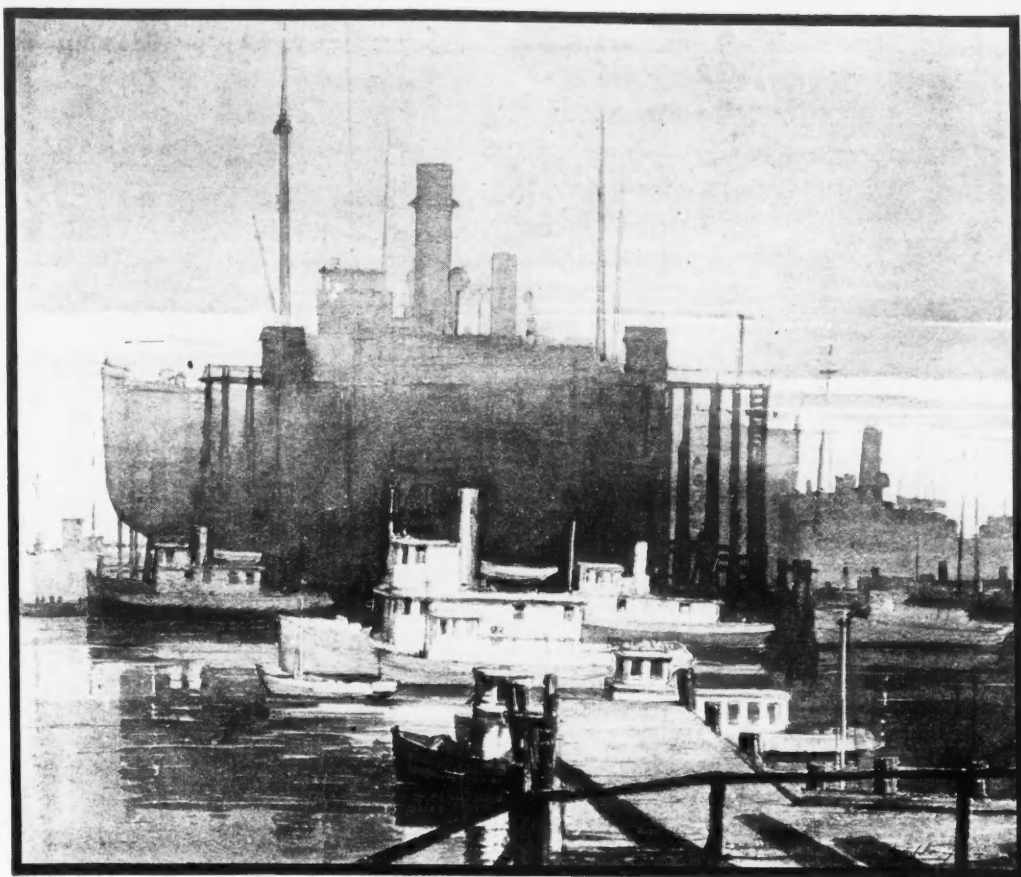
MANY years ago, before we were all put out of the fryingpan into the fire, in the fairy-tale days of prosperity, one of the major industries was the butchering of land. Where the White Pine, the noble Oak and majestic Elm had formerly swayed in the wind over luxuriant Upper Canada, came the black-coated (and white-collared) executioner. The land was closely shaved, executed, neatly parcelled and delivered to the customer by the foot. It was a nice business.

Nobody stopped to consider whether this method of slicing up the land was likely to provide a suitable base-plan for the great city of the future, which is now today. The general form of the base-plan was laid out for agricultural purposes; the concession roads have become the main traffic arteries and business sections, and the interiors of the concessions have been subdivided into countless residential lots. Although the American and Canadian cities appear more orderly than those of the Old World by reason of this geometrical lay-out, it is but a superficial device which has little to recommend it. The community of families that inhabits a city is a living organism and a plan that has been made for cabbages and turnips is not likely to be adequate for human enjoyment.

IT IS easy for the town-planner to be wise after the event. Fifty years ago who could have anticipated that a little place of 70,000 souls would grow to the unwieldy proportions of the present city of Toronto? Nobody could expect a paradise to be produced with such indecent haste, and yet civic pride compels us, in the prosy language of the guide-books, to admire the tree-embowered streets of elegant homes which are a memorial to our sober municipal competence.

But is our suburban paradise such a lovely thing, really? Is it such a wonderful plan that all the through-traffic arteries should pass through the neighborhood shopping sections, to the mutual danger and delay of traffic and shopper? Is it such a wonderful plan that has slums at its heart and communities of desolate shacks on its circumference? Is it such a wonderful plan that has absolutely no provision for open spaces and playgrounds in the new subdivisions that are being made today? Is it not true that we abandoned the makeshift Agricultural Plan and adopted a base-plan devised specifically for urban communities? The return of constructional activity aided by the Federal Government and the great financial houses is about to add a new fringe of suburbs to our cities, and we should see to it not only that decent homes are built but that they form part of a civic design planned with the utmost skill and incorporating the most advanced principles of town-planning.

THE fundamental problem of planning has always been due to the elementary fact that cities don't stay the same size. Although in any one year the proportions of streets, services and open spaces might exactly fulfil requirements, yet in the following year the proportions would inevitably be distorted by the addition of new territory and new population. Hence the endless and expensive process of adjustment which compels the taxpayer to empty his pockets into the city treasury. The town-planner's solution to this problem is a simple one. Stop the city expanding. Only a small quota of building should be permitted, to take up the slack, as it were, of services already provided, after which the future growth of the metropolis should be carried out by the planning of satellite suburbs, separated from the parent city by a belt of open space. Each satellite should be planned for a community of limited size. In this way the primitive and expensive process of unlimited swelling, which has hitherto afflicted the city, would be replaced by a form of organic growth which has its counterparts throughout the natural world. This Divinity has provided that its creatures should multiply not by growing bigger and bigger, but by giving birth to new creatures, each one complete in all its limbs and faculties. The plan is a good one and may well be adopted for Man's creation, the city organism.



"EVENING, NORTH VANCOUVER FERRY", from a water-color by A. C. Leighton, of Calgary, Alta. This picture was exhibited in the Royal Canadian Academy in 1934.

ALTHOUGH the most farsighted Wellsian must be defeated in an attempt to plan for unlimited swelling, yet the designing of a community of known dimensions is an altogether more practicable affair. We are in possession of statistics to show the exact requirements of a community of, for example, a thousand families; they will need so many different kinds of stores each of so many square feet; they will require schools, theatres and restaurants of determinable capacity and playgrounds of a certain size. In exactly the same way as an architect assembles his knowledge of the requirements and functions of a building in order to arrive at an economical and beautiful design, so the proportions and activities of a community should dictate the design of a suburban neighborhood, that it may become a thing of beauty as well as a machine that operates smoothly and economically. The grouping of the various elements of a community plan, the open spaces, residential streets, shopping centre, schools and recreation areas, so that they are equally accessible to all residents and separated from the traffic arteries of the metropolis, will produce an organic plan very different from the agricultural checker-board.

This technique in suburban planning is not, of course, just an idle fancy. It has been the basic policy of the great English provincial cities for many years; the extensive housing estates of Birmingham and Manchester have demonstrated its economy and reasonableness. And perhaps more significant for our purposes, the very same principle has now been officially adopted in the United States; the Suburban Division of the Resettlement Administration is now constructing three "Greenbelt" towns, the plans of which are an even more complete fulfillment of the satellite principle than has been attempted in England, and are setting a new international standard in suburban planning.

IN VIEW of the excellent precedents and great success of this aspect of modern town-planning, should our cities allow Federal-aided home building to perpetuate a form of

building development that is altogether obsolete and will eventually prove expensive in replanning and adjustment? We should be able to point to the work of the next decade not as the new cabbage-town but as demonstration communities of the greatest architectural dignity and possessing all the amenities that modern town-planning can devise. Hitherto we have lacked the means of demanding the large-scale co-operation by which alone such plans can be carried out. The introduction of governmental interest in the renewal of building activity offers the opportunity we have been awaiting, to

exercise control over the design of future communities.

THE old beech tree on the village green at home, the swimming pool where the river used to run under the elms, the courtyard of the inn where your father used to gossip with his cronies . . . all these have become but whimsical memories. Man, a social creature who had formerly lived in communities, has now been set out in rows, endless rows like so many cabbages.

But, of course, that land butchering was a nice business.

## THE TOURIST CRAZE

BY OTTO SCHIERBECK

While we are far from endorsing the entirely pessimistic view of the tourist traffic which is expressed in this article—the work of a European forestry expert long resident in Canada and deeply devoted to the best interests of her forest areas—we feel that no harm will be done by drawing attention to the fact that the development of this traffic is quite likely to be accompanied by some undesirable as well as some desirable consequences. It is for Canadians to be on their guard against the undesirable ones.

THE cry all over Canada is Tourists. Tourists. Every newspaper is advocating going after the tourist. The Dominion Government has granted hundreds of thousands of dollars for the promotion of the tourist traffic. Every provincial Government is spending thousands of dollars for advertising and for the publication of tourist pamphlets, for the subsidizing of tourist bureaux, etc. One of the provincial Governments has even gone so far as to publish a cook book for distribution among prospective tourist hosts.

Did anybody ever consider the influence a highly developed tourist traffic has on the rural population?

On the safekeeping of our forest wealth from fire? On the permanence of our magnificent stand of game? The statistical bureau mentions enormous figures earned by the tourist trade. I very much doubt the accuracy of these figures, but even if they were right the old adage that "Gold can be bought too dear" still holds good.

FOR a number of years I visited a certain locality in the back woods, partly in my professional capacity and partly for the enjoyment of big game hunting. I always remember the first night spent in the home of the guide who, for a number of years, always accompanied me on my trips to the woods.

The house was magnificently located on a side hill, with a splendid view over hills and dales, all covered by magnificent forest. A small lake in the foreground added to the charm of the splendid sylvan scenery.

My reception by the family was more than hospitable. The food was wholesome and simple, consisting principally of the products of the farm, with plenty of cream, berries from the woods, and not forgetting fried trout in abundance. After a few days I felt like one of the family. A small daughter had a magnificent voice. Unforgettable evenings were spent in sing-songs under the big oak in front of the house.

My host was a splendid woodsman, and interested in all the forest lore. A splendid walker and an unexcelled guide.

FOR a number of years I was prevented from visiting my old hunting paradise. Last year I returned. Alas! How everything was changed! The place had been discovered by the Tourist, and—developed!

My host met me at the station in a rather elaborate car. When I complimented him on it he laughed as he said, "It costs like hell. It takes all I can get to meet the instalments." I noticed that the former stalwart, wiry and healthy looking man had become rather fleshy. The color of his face confirmed the rather strong odor of his breath; he had apparently forsaken the old theory, that booze taken in excess doesn't go with physical health.

On arriving at the house, I found that the whole appearance had been "improved" by the building of eight or ten shacks—Tourist Camps. A wing had been added to the house, a dining room installed with the traditional golden oak buffet and small tables, decorated with fly-specked wax flowers. A glaring, raucous radio was proclaiming loudly and persistently between advertisements for soap and toothpaste, that "Somebody Loved You-on-on, and You-on-on Loved Somebody."

At dinner a young girl served at the table. She was pasty faced and pimply. Permanent waved, be-ringed, and dressed in the latest style. To my horror, I recognized the little daughter whose voice I had so admired in the olden days.

# ROMA

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"KNOX CHURCH, WINNIPEG", from a water-color by A. C. Leighton, the well-known Canadian artist. This picture was exhibited at the Royal Academy in 1929.



MRS. JOHN T. McCAY, Founder and Director of Vancouver's Folk-Craft Festival.

## CANADIAN INTERNATIONALIST

BY GRACE R. HALLAM

AS FOUNDER, director and genius of the Vancouver Folk-Craft Festivals, Mrs. John T. McCay is what she would call "a practical internationalist"—the annual Folk-Craft Festival creating an opportunity for forty-six national groups in Vancouver to preserve and to present the folk songs and dances, the arts, crafts and traditions of their homelands.

Mrs. McCay is so ardent an internationalist that one might almost say she is "a woman without a country", except that she would be the first to repudiate such a statement.

"No, indeed," she would deny with emphasis, "that is carrying internationalism too far. Instead of being afraid of differences in nationality in our Canadian life, we should welcome them, provided we are willing

to make such differences contribute to the beauty of the whole. And where can we best begin but on the relatively uncompetitive plane of art? Song and dance and laughter speak a universal language, and for ages the races of the earth have thus expressed themselves. When we can approach each other in these terms, in a common love of beauty, we have gone a long way towards breaking down the barriers of division. At least that is my idea of the Vancouver Folk-Craft Festivals."

Since human society is itself an art, to begin its solidarity on the aesthetic plane is an extremely sensible idea. At least it brings the remote mountain-top ideal of internationalism down into the valley of everyday life. Not a bad thing for sponsors of Peace Conferences to meditate upon!



# NATIVE LIFE IN A FORMER GERMAN COLONY

BY M. FITZGERALD

The author of this article has long been a resident of Tanganyika, and has written the article for SATURDAY NIGHT in the belief, which we think is well justified, that too little is known by Canadians regarding the attitude of African natives on the subject of German colonial administration. Last month Sir Oswald Mosley, British Fascist leader, has advocated returning to the Reich the former German colonies, now administered by Great Britain.

THERE is a great deal of talk these days about Mandates and their future, and it is natural enough that the discussion should range for the most part round the political and economic interests, needs and aspirations of white men and white nations, for these come home most nearly to us. But there is another side to the picture, another set of people whose concern in the matter is, to put it mildly, no less vital and personal than that of any European Power. It is only right that we should inform ourselves about the life and circumstances of the native millions under our Mandate, and look at the subject of transfer from their point of view as well as our own.

Tanganyika, possibly the most discussed of all the former colonies just now, contains just over five million native inhabitants. Under 1½ per cent. of these live in towns of more than 2,000 natives, and the vast majority are peasant farmers living in tribal communities under their own hereditary rulers and gradually building up a modernized native society on foundations firmly bedded in the African soil. To change the metaphor, some of the tribes are still at the very beginning of the road but others, like the Wachaga on Mount Kilimanjaro and certain powerful peoples near Lake Victoria, have already travelled a considerable way along it. There are chiefs whose own income runs into four figures and whose tribal treasury budget for an annual expenditure amounts to tens of thousands of pounds.

AND what do they spend the tribal treasury on? On schools, on medical work, on roads and bridges, on wells and cattle-dips, on forests, on education work, on houses and many other activities as varied as the surroundings in which they live. The desire to improve their social services, writes one British colonial official, "is almost universal among these tribes." These things are not done spontaneously and paid for by the tribe, but are carried out through the tribal treasury, which is managed by the tribal ruler. The tribal ruler is not a monarch, but a chief, and his position is not hereditary. He is elected by the tribal assembly, and his power is limited. He is not a ruler, but a chief, and his position is not hereditary. He is elected by the tribal assembly, and his power is limited. He is not a ruler, but a chief, and his position is not hereditary. He is elected by the tribal assembly, and his power is limited.

At the same time, it is true we cannot ignore the fact that British policy has been one of preserving the status quo. As regards the great majority of tribes in East Africa we shall see that the British have been successful in the work of the Mandate for Africa, and have been able to maintain the status quo. The British have been successful in the work of the Mandate for Africa, and have been able to maintain the status quo. The British have been successful in the work of the Mandate for Africa, and have been able to maintain the status quo.

It is true that the British have been successful in the work of the Mandate for Africa, and have been able to maintain the status quo. The British have been successful in the work of the Mandate for Africa, and have been able to maintain the status quo. The British have been successful in the work of the Mandate for Africa, and have been able to maintain the status quo.

these peasants best are of the opinion that the developing world of native Africa has its contribution to make not only to the economies but also to the religious and social thinking of civilization.

The idea of a sentimental preservation of the picturesque, useless and antiquated is a gross misconception of British Indirect Rule which one meets in far too many quarters. There is a world of difference between retaining something of the past which is of service to society in the present, and preserving the old just because it is old. The tribes are not static. They are moving, absorbing this, scrapping that, modifying the other and combining these, creating a new world which draws both on their own past and on the ideas flowing in from the civilized world. They are working out a social evolution, bringing to the service of the present and the future all their store of experience of that African environment in which the present and the future have to be lived.

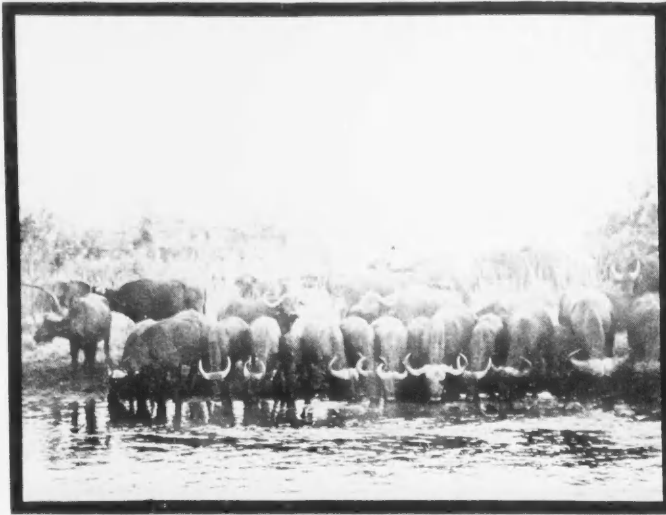
Now this great opportunity for full and free development has come to the tribes of Tanganyika under the British Mandate. In this way Britain has given practical expression to the principle of trusteeship which is the basis of mandatory colonial administration and to which she also subscribes in her relations with the native peoples of her colonies.

GERMAN racial doctrines lead, on the contrary, to a very different conception of the relationship between a colonial Power and backward peoples, and the following passages from the Appeal which has been addressed by members of all races in Tanganyika to the people of Great Britain and the Empire effectively bring out the contrast.

"It is of value to compare the human expenses of the original occupation respectively of Kenya and Tanganyika. Britain succeeded in the occupation of British possessions in East and Central Africa with practically no loss of native life. With Germany, apart from other instances, it is well-known that during the Mau Mau Rebellion alone, 200,000 natives died."

Not can the ensuing famine, the terrible penalty inflicted on the whole population of the rebellious districts, be left out of account. The rebellion spread through more than 80,000 square miles of country, over large areas of which the Germans destroyed all crops, food reserves and seed, thereby causing untold suffering and distress among the women and children as well as the fighting men. I have lived among some of the tribes involved and I know that the thirty intervening years have not sufficed to blur the memory of that savage retribution. An official, a German, present at the year 1906 includes the following passage: "Their hidden supplies were discovered and ordered to be destroyed and all cultivation was rendered impossible for the conquered, so that food for the future was the majority to submission. Thus there were zones where the harvest was very meagre and famine ensued. Of those whom war and hunger had spared a large number fell a prey to disease. An epidemic of bubonic plague broke out and spread abroad, carried by laborers, even into formerly healthy localities. Milk failed in the undernourished mothers, so that in many cases the infant death-rate reached an enormously high figure in short the first months of this year in the rebel districts showed a picture unparallelled beyond words." (Annual Report published in 1907 and quoted by V. Gordon in *Fruchtbarkeit* in *Antropologie*, 1909).

PEOPLES who make a hobby of running down the British Empire have sometimes argued with me that the bombing after the war, of the towns of persistently troublesome villages on the Northwest Frontier of India is on a par with the experience of the tribes of South-east Tanganyika after the Mau Mau, but the comparison cannot stand. In the one case the crops in the fields of a small locality



NOTABLE FOR ITS COURAGE and daring is the water buffalo of South Africa. Here is a herd drinking in one of the magnificent reservations set aside for the preservation of wild life, threatened by the advance of civilization.

—Photo courtesy South African Railways and Harbors.

are destroyed, villages with their stores of food and seed are untouched and neighboring communities are still in a position to afford assistance. In the other, food and seed and crops were all gone, over areas so wide that thousands of people could find no help save in the roots and leaves and berries of the bush, and had small hope of beging a few handfuls of seed for the next year's planting.

"Under the Pax Britannica, discipline has been maintained entirely without bloodshed or cruelty. The warlike bonuses or forts constructed throughout the Territory in German times have fallen into disuse or have become the peaceful offices of administrative officials who are striving to foster the best qualities of the African native. To that end the systems of indirect rule were introduced, training and educating the Chiefs and the people in the art of self-government."

"The frequent assertion that the discipline of the native under the German regime was infinitely superior to that now existing under the British Mandate may be accepted as true if discipline of a dictatorial and military nature enforced by severe penal laws is contrasted with the complete equality of justice for all races under the British Administration."

THIS question of discipline brings out very clearly the fundamental difference of outlook between the German and British administrations. If you read German writers of any date or discuss native administration with Germans, with but few exceptions you will find all the way through that feeling of intrinsic, pre-ordained and permanently to-be-cherished superiority, and the native regarded as a useful economic animal, not a human being with a life and above all a personality of his own. He is a source of wealth and power for his white masters—no co-operation of white and black, as we understand it, no trusteeship here and as such, of course, he must be studied and suitably improved and developed. His physical well-being, affecting his capacity for labor, must be cared for. He must be given technical education to make him a better producer but not, if possible, education which makes him self-conscious or implants unsuitable aspirations in his mind. He is to be drilled and regimented to do this and do that because he is told to, like any other well-trained domestic animal.

All this is very different from the system of Indirect Rule which I outlined above. Improvements are to be imposed on native society efficiently, dictatorially and expeditiously from without, to increase its economic usefulness; but the ideas of patient leading, of fostering and waiting on the slower but more balanced and genuine development which grows up from within society, of incalculating self-reliance, initiative and a sense of re-

sponsibility—all these are absent. They are not compatible with the conception of the African's inferior race's predestined rôle as the servant of the white race.

A small example may help to bring home the contrast in both spirit and method. I know a tribe who number among their traditional beliefs the superstition that the man who plants a tree will die and never enjoy its fruit—not unlike, after all, some of the superstitions current in our own society, e. g. that the ship's officer who redeceivers his cabin will be robbed of the fruit of his labors by a speedy transfer. Yet this tribe's villages are full of mature mango and other trees. They were planted, as the natives will tell you, by order of the German officials and under penalty of a beating for each man who failed to plant one. This certainly produced the trees, but it left the native just where he was in so far as his beliefs and fears were concerned. It failed to introduce a new habit into native life, as the virtual absence twenty years later of any young trees save a few chance-grown exceptions bore witness. When the subject of tree-planting cropped up again a few years ago under the new régime, a new method of attack was adopted—a great deal of friendly talking and discussion which for a long time had no visible effects at all, and above all plenty of personal example. In due course the idea began to catch on among a few individuals, and slowly it is spreading. Now the native authorities concerned make and, what is more, look after plantations containing thousands of trees for building-poles and fuel, while individuals, at least in the more permanent villages, have developed a taste for setting fruit (and sometimes even purely ornamental) trees round their houses—an idea which, of course, they attribute entirely to their own fertile imaginations!

LOOKING over the history of the years of German rule, it appears that while an immense amount of work, both research and administration, was done for the improvement of the country from the material point of view, the Germans had a most unhappy flair for the wrong thing in the more intangible things of life. To put it briefly, they excelled at material culture but were exceptionally bad at what one may sum up as human relationships. And they suffered for it in the long series of disturbances which extended far beyond the initial years of struggle when they were suppressing the Arab Revolt of 1888 and effectively taking possession of the interior.

In the Bantu tribe the ruler is a great deal more than administrator and judge and, in the old days, commander-in-chief. He is the central figure in the tribal religion and in many cases the keystone of the tribal economic system of mutual help to boot. The whole social structure was thus involved, thrown out of gear by the new political system thrust upon it; and it is small wonder that not only the dispossessed rulers and their retainers but the feelings of tribal society as a whole were outraged. The resistance of individual tribes, however, was of small avail, although the Wahide actually achieved an initial victory when they ambushed and nearly wiped out a German column in 1891, killing the Commanding officer of the Imperial Defence Force, and the Wachaga carried the day in June of the following year. These proved to be only fleeting triumphs and no more than temporary checks to the process of occupation. What may really be regarded as the unmistakable verdict of the tribes on German native administration was given fourteen years later in the great rebellion to which I have already referred, the Mau Mau.

GERMANY, it appears from the pronouncements of her leaders, believes in Indirect Rule no more today than before the War, and her theories regarding race have hardly moved along lines likely to create a happier relationship between herself and the tribes. The generation of Africans who knew German rule in Tanganyika is still with us and men not yet past the prime of life are old enough to remember and compare. They can read the signs of the fundamental difference in aim and outlook between the old and the new régimes as well as anybody. And they do not want to go back.

Just as the disturbances which occurred through the years of the German occupation came from all parts of the country, so at the present time anxiety about the Mandate is found among natives of many different and widely separated tribes. Individual Germans are still remembered with admiration, but their administration as a whole was deeply disliked and its return is correspondingly feared.

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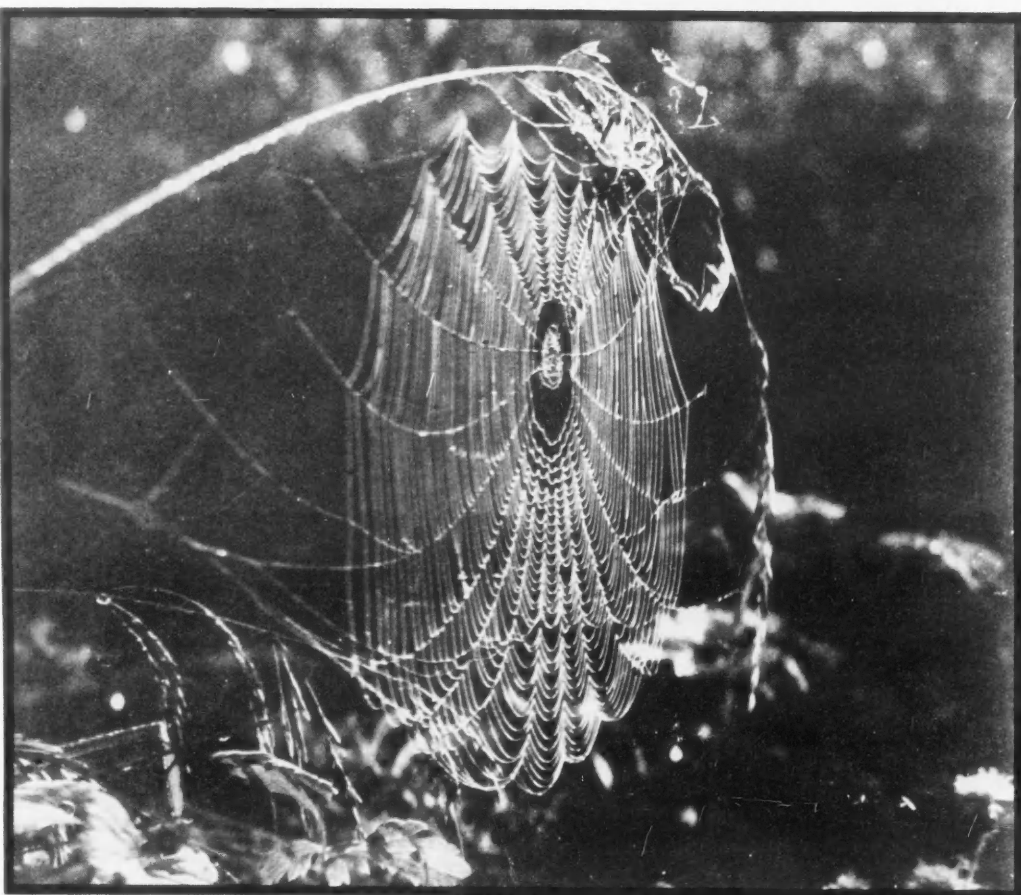
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# CONCERNING FOOD

BY CYNTHIA BROWN

JUST a little straight, helpful talk on alcohol this week, my hearties, and no arguments about its food value in spite of our heading. The happy season has rolled around again when even Grandma can be persuaded to sip at something mild in a long stemmed glass and tell you, "That seems very nice, dear, I think I'll have a little more." Goodness knows no one wants anyone to abuse alcohol, but surely this is the season to enjoy it.

I grew up in a very cold climate where alcohol is only one degree less appreciated than it is in the tropics. I can remember, one Christmas, Mother's getting very generous with some port that Father had collected and insisting on a glass being saved for the furnace man. Now "G. Fury," as he used to sign himself, though I can't expect any of you to believe in a name like that, was an ardent teetotaler, as well as our furnace man. He also played the cornet in the Salvation Army band, which used to seem to us children very remarkable as he was a pale, thin man with a weak voice and no breath, the result of years spent huddling molten metal out of vats into troughs in his native land. Mother kept the port till she heard G. Fury's slow tread on his evening trip. Then she advanced, filled glass in hand, and said it was a cold night and he had better drink this, it was an old custom in our house on Christmas night, and it would do his cough good. Mother was small but bovine and very difficult to disobey, as who should know better than I, G. Fury poured it down like milk and looked mildly surprised. "That would be made of cherries, perhaps?" we heard him say in his soft, breathless voice. "No, grapes, I believe," said Mother carelessly. "How do you like it?" "Oh, very much, Madam, it's quite an encouraging drink," said G. Fury. And for my part, I believe it was.

You had better believe the experts who will tell you that it is not so much the proportions of the ingredients as the size of the pieces and the quantity of ice used which makes a smooth cocktail. Pieces of ice of equal size, and for most cocktails about the size of a walnut, should be put in the shaker after the ingredients of the drink, and enough should be put in to come up almost to the level of the liquids. Cocktails containing fruit pieces should be shaken vigorously, all others should be stirred with a spoon on a glass rod. I have this on the authority of a seafaring man who makes no mistakes about drinks. I don't expect you to pay my particular attention to me when I tell you cocktails containing gin should be mixed in a glass shaker. Metal affects gin as an apple is affected when cut with a steel knife. However, after the first round probably no one will notice it much, except the odd expert, and he probably set into the party by mistake anyhow.

Here, then, are cocktails with rye, scotch, brandy, gin, and brandy at least one of which you will surely find in the cupboard at this season unless, like G. Fury, you expect to blow a trumpet well on cherries alone.

## OLD-FASHIONED COCKTAIL

This is served in a large bar glass—a good long drink that saves repeats for quite a while.

One lump of sugar moistened with angostura bitters in the bottom of a fairly tall glass. Crush the sugar with one slice of orange and one slice of lemon, taking care to crush the peel of the fruit, too. Fill the glass almost full of cracked ice, then add as much rye whiskey as the glass will hold. After the drink is partly consumed and the ice partly melted add more rye.

## PINK LADY COCKTAIL

For each portion:  
1 glass dry gin  
White of one egg  
1 tablespoon grenadine  
Juice of one-half orange  
Juice of one-half lemon  
Sugar to taste (very little needed).  
Add cracked ice, shake well, strain and serve before the mixture settles.

## HIGHLAND FLING COCKTAIL

2½ Scotch whiskey  
½ Italian vermouth

2 dashes angostura bitters.  
Add cracked ice, stir well, and strain.

## DAIQUIRI COCKTAIL

1 part brandy  
½ part juice of fresh limes (or one-quarter part lemon juice) strained  
2 teaspoonful powdered sugar (more or less as desired, these things are personal).

Add plenty of ice cracked very fine, shake well and strain.

## BRANDY COCKTAIL

½ French vermouth  
½ brandy  
Dash of bitters (orange or angostura as preferred).

Add an equal amount of soda water to the above mixture. Add large pieces of ice, stir well, strain and serve. And now for a few of the punches that make a party go right.

## CREOLE PUNCH

1 cup port  
1 cup brandy  
1 cup water  
1 cup simple sugar syrup  
3 cups strained orange juice  
Juice of two lemons.

Place ingredients in a bowl with a large chunk of ice—it should weigh at least five pounds—and stir until very cold.

## FISH HOUSE PUNCH

½ lb. sugar  
1 pt. lemonade  
1 qt. rum  
½ glass of peach brandy (if you happen to have it)  
1 pt. brandy.

Add water until the desired strength is reached. Be careful. Pour mixture over a huge cake of ice and stir till cold. This is a naval recipe and, I might as well admit, was given me with the warning that it had put good men under the table. Don't say I didn't tell you.

The following is served hot and it is equally good with brandy, rum or rye whiskey. I once knew why it is called Tom and Jerry, but in my career I've had to discard a lot of non-essentials and that's one of them.

## TOM & JERRY

For each pony of liquor used add one or two teaspoonfuls of powdered sugar to taste. Stir well and add an equal amount of very hot milk, stirring all the time. Pour and serve with grated nutmeg on top.

You might remember that in making cold milk punches—really they are cocktails and great pick-up-ops—you use cinnamon with Scotch whiskey, and nutmeg to flavor rye. All connoisseurs regard this as terribly important. I'll thank you not to ask me why. Here's to you.

## TRAVELERS

Mr. and Mrs. Marshall Stearns of New York, are spending the Christmas season with Mrs. Stearns' parents, Mr. and Mrs. T. A. Richardson of Toronto. Mrs. Stearns was formerly Miss Helen Richardson.

General and Mrs. John A. Gunn, of Toronto, are leaving by the Empress of Australia on January 7 for the West Indies.

Mrs. Leonard Tilley, of Saint John, N.B., is visiting her daughter, Mrs. Henry P. MacKeen, and Mr. MacKeen in Halifax, where she was joined by Mr. Justice Tilley for the holidays.

Mr. and Mrs. Aubrey Rowan Legg, of Galt, are spending Christmas in Ottawa as the guest of Mrs. Rowan Legg's brother and sister-in-law, Mr. and Mrs. G. Fullerton Perley. Mr. and Mrs. Allan Rowan Legg, of Toronto, are also guests of Mr. and Mrs. Perley.

Mrs. John Staton left Montreal directly after Christmas for Winnipeg to be present at the marriage of her son, Mr. John Curtis Staton, to Miss Jocelyn Botterell, which takes place on Wednesday, December 30.

Mrs. John Macdonald and her sister, Miss Kathleen Hungerford, and her brother, Mr. Walter Hungerford, have been in Montreal, and have left to spend Christmas in New York.



LANZ OF SALSBURG designed the ski suit shown above. With the scarlet slacks are worn a peaked cap, and a sweater, mitts and socks in a gay design of white, grey and scarlet. The moccasins, for wear in the ski lodge, have leather soles and knitted tops. From the Robert Simpson Co. Ltd.

# DRESSING TABLE

BY ISABEL MORGAN

FRENCHWOMEN are wearing dark lipstick by night, light lipstick by day, the young Parisian women are even showing preference for dark lipstick for daytime wear, especially on bright sunny days when dark, young lips are a challenge to sunlight. Helena Rubinstein perfected her new Red Velvet lipstick abroad and is now importing it to this country as a recognized fashion first in this season's cosmetic offerings. The new Red Velvet lipstick is a warm, luscious shade, sufficiently exotic for evening wear, and perfect as well with the deep reds, wines, rich greens, inky and violet blues sponsored for clothes this year.

Not alone is Red Velvet a masterpiece of coloring. The name of this lipstick is just as descriptive of its quality as it is of the color, because it actually feels and looks like velvet on the lips. Termed a "beauty treatment for the lips" this new lipstick looks after the condition of the lips even as it imparts its gorgeous color. Parched, dry, dull lips are nurtured back to health and smoothness. Chapped lips are softened and smoothed, never to chap again as long as this lipstick is present to safeguard them, for incorporated into the lipstick are certain substances that preserve and foster the natural oils and moisture in the lips. In youthful lips, it intensifies the lustre and glow. To parched, dried-out lips it brings once more the quality and sparkle of youth.

NEWS of a mother and daughter fashion show held in New York recently started us thinking more seriously than usual on what mothers really are wearing. We found that for such an occasion as a smart morning recital at the Plaza Hotel in that city older women make black their first choice in color, velvet, first in fabric, and pearls, first in jewellery. Hats that coincide with the times seen at smart events of this kind in Canada.

Several of these women had chosen sable capes but the coats were divided between mink and broadtail with silver fox collars. If the hat was not velvet it frequently was of the coat fur or else was trimmed with the coat fur. These older women too showed a nice discretion in the selection of the high-crowned hats. They were not too high nor too heavy looking but did have some tendency toward height, either in a slightly pointed crown, a feather or an upright velvet bow.

The slim older women for the most part wore opera pumps, usually suede. But the majority chose either strap pumps or dressy oxfords. White glove kid gloves are still popular for an occasion of this kind.

One woman stood out ahead of the others because of the slight touch of color she had put into her otherwise black costume. At the neck of her black dress was a pair of diamond and emerald clips. At the front of her Persian lamb hat which matched the trimming on her black coat there was a little roll of emerald green ribbon and another of bright red ribbon. As she sat talking to a friend she had in her hand a large green chiffon handkerchief just the color of the emeralds and the green in the hat.

LEATHER used in the manner of fabric was one of the highlights at the Marjorie Dutton fashion show held recently at the Ambassador in New York. This Paris dressmaker from Canada makes whole suits in softly worked versions of pique and suede. A golf jacket and skirt in natural pique had the same buttoned-up-the-front effect, the same little boy collar and inverted back pleat that you would expect to find in wool. An afternoon suit in fine black suede was handled just as if it were velvet.

THIS is to be a jewel year, an old-fashioned gift, but one that never is out of date, and a gift that each member of the family may enjoy and keep always. Even the baby may have a delicate little chain and tiny locket.

The college boy and the debutante—well, there is so much for them. For the boy, sleeve buttons, an evening watch and chain, a pearl pin for his morning clothes and a smart gold one for daytime, collar pins, the fasteners, rings, particularly signet or engraved with college or fraternity emblems; beautiful cigarette cases. For evening jewellery, crystal and tiny pearls, pearls, both black and natural for dress clothes and dinner clothes. Platinum and crystal are also favorites. Handsome sleeve buttons for daytime in gold and silver or platinum with colored precious stones are shown by all the best jewellers.

For the debutante, pearls, clips or precious stones, emeralds, or rubies, a star sapphire brooch circled with diamonds, a ring of star ruby or sapphire. Gold bracelets, gold ear clips and handsome brooch clips in gold are perfect for daytime. Bracelets of gold and black enamel encircled with diamonds, ring of star ruby or sapphire. Gold link and wide flexible mesh bracelets worn outside the glove are the debutante's special fish.

Mesh bracelets of three shades of gold, wide but flexible, watches of every size and shape, very new and very smart, and some very beautiful jewelled brooch watches for afternoon and evening, are also excellent for the older woman or the young matron, and set off the simple black clothes worn so much this season.

Necklaces of all types are available, and a tana is a handsome thing for the woman whose grace and charm is heightened by the most lovely example of the jeweller's art.

Rings are to be had in all manner of new and interesting designs. Even tiny watches are set in rings. There are many delightful afternoon rings which have only recently become very smart. These are almost always in emeralds, sapphires or rubies worked with diamonds, and maybe of platinum or gold.

At the Horse Show, and at socially important events, many women wore long pendant earrings. Earrings have never been so popular as they are now in Paris. This is another old-fashioned gift that is again in high favor.

Beautiful jewel encrusted flowers are to be found in the best jewellery shops. These would gladden the heart of the most sophisticated of women. The Honorable Daisy Fel-lows set the fad with her diamond orchid which she first wore two years ago. She wore the handsome flower by day on the lapel of a suit or fastening the neck of a blouse, and at night with her most sophisticated evening gowns.

## TRAVELERS

Mrs. E. F. Garrow of Toronto, is spending the Christmas season with Mrs. W. J. M. Marler in Montreal.

Miss Elizabeth Baker of Ireland, who has been visiting Colonel and Mrs. Vaux Chadwick for some weeks, has left Toronto to sail for her home.

Miss Helen Ryan, of Paris, France, is the guest of Miss Florence Rogers at Hamilton. Miss Ryan attended Ivy House in England during the school days of her hostess, the then Miss Bebe Southam, now Mrs. James Wain Thomson.

Colonel Arthur F. Hatch, of Hamilton, is spending a part of the winter in Barbados.



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## ROUND THE WORLD

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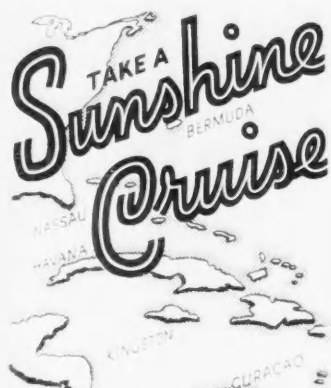


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"I was in hospital for ten weeks, owing to kidney trouble. When I was discharged I felt like an old man, although I am only 31. If I stooped to do anything it was agony to straighten up again. Several people advised me to try Kruschen Salts. I tried them and found they gave me relief from pain and I felt better in every way. I cycle 28 miles a day to and from work, and shall keep up the daily dose of Kruschen because I can now do the journey to and from work and not feel any the worse for it."—S.V.C.

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### DEATHS

MYLES—At his home at 19 Court Hugh Boulevard, Robert Gordon Myles, beloved husband of Mary Cecilia Hirsch, Interment St. James cemetery.

# THE SOCIAL WORLD

BERNICE COFFEY, SOCIAL EDITOR



THE TWO DAUGHTERS of Hon. J. E. Michaud and Mrs. Michaud are among the debutantes coming out in Ottawa during the present season. The photograph above is that of Miss Alice Michaud.

—Photo by Karib.

IN HER store of vivid recollections of life in England, Mrs. John Gamble Boyd, of Toronto, possibly treasures most highly those of the present Queen's grandmother and aunts. They afford an enlightening glimpse of the environment and family from whence comes the lady who now occupies the most exalted station in the Empire.

There is quiet, yet very intense drama in those memories of the time when Mrs. Boyd and her children lived beside the Thames at Teddington, Surrey, with her brother, Rev. F. L. Boyd, who was vicar of St. Albans. The family which was built during his incumbency, there is the memory of a family of quiet dignity and pleasant simplicity that little knew one of its daughters, then unborn, was destined to become one of England's Queens; of children, Mrs. Boyd's own and the brothers of the future Queen, who romped together in a lovely garden beside the Thames; of the gentle life of an England that was yet to go through the holocaust of a great war from which some of these children grown to manhood were to return wounded grievously, or not at all.

"The Queen's grandmother had a lovely summer home, Forbes House, Ham, Surrey, near Teddington, where she and her twin daughters, Violet and Hyacinth Cavendish-Bentley used to come after the fatigue of the 'season' in London before going to their winter home in Italy," Mrs. Boyd recalls. "Three lovelier, more godly women never lived. There was an organ in the large hall of Forbes House, and one of the daughters played it, and seated there she reminded me of the pictures of St. Cecilia—she had such a lovely face, large dark eyes and hair. The other sister had a hospital for children with hip disease—not in Ham—which they maintained themselves.

"A third daughter had married Lord Glamis (afterward he became the present Earl Strathmore). Lady Glamis and her children often came to visit her mother and sisters at Forbes House. Soon after their arrival a note would come to me from Violet Cavendish-Bentley, saying, 'My sister is here with the children. Do come over and bring your children and we will have great fun.' The house being

ty. The word "amateur" was mistaken, as the members are professional artists of outstanding ability. Besides Miss Brown, who recently attracted much favorable attention in England at her debut at Aeolian Hall in London, members of the Rehearsal Club include Miss Etta Coles and Miss Naomi Yanova, who have distinguished themselves as a piano duo. They recently played with the Rochester Civic Orchestra under the direction of Mr. Harrison. Miss Frances Adaskin, another member, will be a guest artist of the Montreal Ladies' Musical Club early in January, after which she goes on a concert tour to Vancouver.

FEW brides are fortunate enough to have two tresses, but that is the lot of Mrs. James Graham Parsons, the former Miss Peggy Bolton, whose marriage in Toronto was a recent

Peter Bolton, her brother, is sailing shortly on a southern cruise in the Empress of Britain which will stop at Havana for one day, during which brother and sister will have an opportunity for a short reunion.

WHITE orchids and a Chanel frock of white tulle were worn by pretty Peggy Beaudmont, at the party given before Christmas by Mrs. W. W. Beaudmont in honor of her debutante daughter. The festive Christmas scarlet ribbons, wreaths and mistletoe and the debutante's many bouquets were a lovely background as Mrs. Beaudmont wearing a French gown of white chiffon and corsage of red roses, received with her daughter in the lounge of the Eglinton Hunt Club. The two hundred guests included the season's debutantes, their escorts, and a number of Mrs. Beaudmont's friends. Before the party, Mrs. Percy Hayes also entertained at a small dinner, and Miss Joy Armstrong was hostess at a coffee party.

SONS and daughters arriving home from school, parties, presents and plans—all went to make a festive and joyous Christmas. Adding to the holiday spirit was the arrival of those who had come to celebrate the happy season. Among the Montreals who left that city to join other members of their family elsewhere were Air Vice-Marshal W. A. Bishop, Mrs. Bishop and their family. They spent the holiday at Toronto with Mrs. Bishop's mother, Mrs. E. E. Burden. From there they go on to Owen Sound, Ont., for the New Year's holidays which they will spend with the Vice-Marshal's sister, Mrs. G. E. MacKay. Lady Gordon, and her grandson, Master James B. Gordon, left Montreal's snows for the mild climate of Sea Island Beach, Georgia, where they spent Christmas and New Year's with Lady Gordon's brother, Mr. James E. Brooks, and Mrs. Brooks, who have a winter home there. Mr. and Mrs. F. N. Southam went to Hamilton where they were the guests of their daughter, Mrs. F. L. Ker, and Mr. Ker.

MISS CLARE McCOLL, of Toronto, entertained at a delightful tea in honor of Miss Marguerite Peel, daughter of Paul Peel, the distinguished artist, who is travelling from southern France to spend the winter in California. Mrs. Reuben, sister of the artist, was also an honored guest. Some original paintings, the work of Paul Peel, which his daughter had brought with her from France, were greatly admired. Accompanied by Mrs. Belden with whom she will spend the winter, Miss Peel has left for Pasadena.

## MARRIAGES

### WINNIPEG

Humble—Bull—On Saturday, December 12, Mr. William Humble, Jr., only son of Mr. and Mrs. W. Humble, of Skilloo Grange, Doncaster, Yorkshire, England, and Miss Mary Nixon Bull, eldest daughter of Mr. and Mrs. Percival Mantus Bull.

### VANCOUVER

Knight—Harper—On Saturday, November 7, Mr. John William Knight, youngest son of Mr. John Guy Douglas Knight, of "Grouse Nest," Victoria, and the late Mrs. Knight, and Miss Josephine Harper, elder daughter of Judge Andrew Miller Harper and Mrs. Harper.



MISS ANNETTE MICHAUD, daughter of Hon. J. E. Michaud and Mrs. Michaud, who, with her sister, is making her debut into Ottawa society this year.

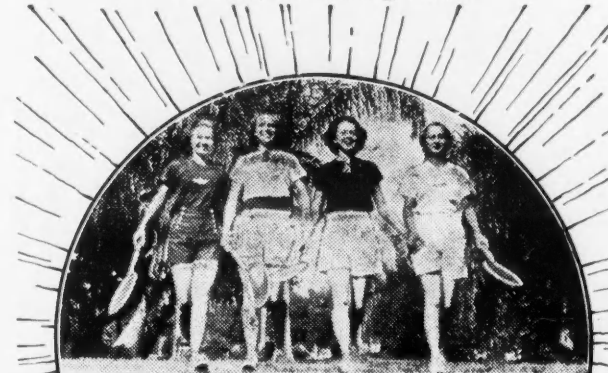
—Photo by Karib.

## AN INVITATION FROM THE CITY OF SUNSHINE

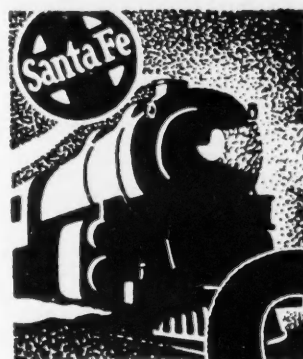
Again from the sunny Gulf Coast of Florida the city of St. Petersburg greets you and invites you to come southward for a delightful winter vacation... Greater preparations have been made than ever before for your pleasure, comfort and entertainment. A continuous program of sport events has been arranged. The social calendar is filled with brilliant occasions you'll enjoy.

G. V. Scott, Secretary, Chamber of Commerce, St. Petersburg, Florida

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● The Scout is comfortable—air-

conditioned throughout. Its tourist sleepers are the finely reconditioned standard Pullmans of but a few years ago. The chair cars, beautifully decorated, have new type deeply cushioned and adjustable reclining seats; individual overhead lights; unusually roomy baggage racks, double breadth windows,

generous dressing rooms. It is economical—for there are free pillows, drinking cups and porter service—delicious low cost Fred Harvey meals—with those rock bottom western winter rail fares, shown below. May we assist in planning your trip?

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**LOWEST LONG LIMIT WINTER ROUND TRIP FARES EVER OFFERED BETWEEN TORONTO AND CALIFORNIA**

\$7970	Round trip coach fare. Six months return limit. On sale November 1 to May 14.	\$9900	Round trip tourist car fare. Six months return limit. On sale November 1 May 14. Berth extra.	\$11620	Round trip first class. 30-day return limit. On sale from October 1 to May 14. Berth extra.
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## ENGAGEMENTS

### VANCOUVER

Morris—McFarlane—Mr. John Raymond Morris, eldest son of Mr. and Mrs. John William Morris, of Victoria, to Miss Kathleen Anne McFarlane, only daughter of Mr. and Mrs. Charles Hilliard McFarlane.

### TRAVELERS

Miss Gertrude E. Moore of Vancouver is spending the Christmas holidays with her parents, Mr. and Mrs. S. H. Moore of Toronto. Miss Moore is director of Moorecraft Girls' Camp

on Vancouver Island, and visited with her campers on her trip east. Those entertaining for her included Mrs. A. C. Newton, Mrs. H. T. Whittmore, Mrs. G. N. Gunn, of Calgary; Mrs. C. G. Geggie of Edmonton; Mrs. A. S. Morton of Saskatoon and Miss Gwen Ramsey of Winnipeg.

Colonel Albert Gooderham and his son have left Toronto to spend Christmas in Bermuda.

Mr. and Mrs. B. O. Moxon are leaving Winnipeg the end of December to reside in Vancouver. Mrs. Victor Gordon-Lennox and Lady Kingsmill have left London, England, for Budapest, where they will spend a few weeks.





**Saturnia**  
JAN. 9, FEB. 20  
Azores, Lisbon,  
Gibraltar, Algiers,  
Palermo, Naples,  
Patras, Ragusa,  
Trieste.

**Rex**  
JAN. 16, FEB. 6  
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GOLF—fishing—boating—riding—  
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Quick Relief  
**Mothersills**  
SEALOCK REMEDY



ROLLICKING RHYTHM is the name suggested for this photograph of jolly bathers on the seashore at St. Petersburg, Florida, where the sun shines and flowers bloom every winter day.

—Photo courtesy John Lodwick News Service, St. Petersburg.

## —Ports of Call

# SOUTH TO SUNSHINE CITY

BY JOHN LODWICK

BRIGHTER and gayer, St. Petersburg, world famous winter resort is looking ahead to its biggest and best winter season, shattering all previous records and prepared to care for the greatest throng in its history. Already the tide of travel into the Sunshine City is reaching into a new high as increases in passenger carrying is noted in every mode of transportation.

St. Petersburg's social and sports calendar of winter events is chock full of interesting events beginning with December and carrying on through to April for the entertainment of its share of the 2,500,000 tourists expected to visit the peninsula state and who it is estimated will leave more than \$600,000,000 there during the next four months.

Many of the Sunshine City's leading hotels are already open for the season, while others will be ready after the first of the year.

New cocktail lounges have been located in the smarter of the hotels through the summer months, while many improvements of a modernistic nature have been made to many others.

Sport facilities for the use of winter visitors have been greatly extended with the completion of the 220 acre Bartlett Park wherein are located twenty new tennis courts, thirty new shuffleboard rinks, bicycle paths, archery lanes, and soft ball diamonds for junior winter visitors. There is a mammoth new playground for children.

In other of the Sunshine City parks are play facilities for lawn bowling, quoits, shuffleboard, quoits, outdoor card playing, horse back riding and baseball. There are 28 miles of sandy beach for sea and sun bathing. There are ample facilities for every sort of boating. For the angler, there are 628 varieties of fish catalogued in local waters.

ST. PETERSBURG'S program of winter entertainment covers a wide assortment of events in which are included national golf and tennis tournaments featuring world renowned stars, musicals, daily band concerts, chautauquas, nationally known lecturers, water regattas, and major league baseball contests.

Famous dance bands will play at hotel ball rooms through the next three months when society reigns through the gayest of all winter seasons.

St. Petersburg's annual music festival will be held during the first week of March when famous grand opera stars will be brought there to participate. The annual Festival of States celebration, Florida's outstanding outdoor spectacle will be held during the last week of March. The eighth annual International Yacht Race from St. Petersburg to Havana, Cuba, over a course of 284 nautical miles, will be started at high noon, March 27th.

Both the world baseball champions, the New York Yankees and the Boston Bees of the National League, will be returned to St. Petersburg in February for Spring training.



THE FAMOUS FIVE MILLION DOLLAR, steel and concrete, recreation pier at St. Petersburg, Florida, which juts nearly a mile into Tampa Bay. The pierhead, occupying an area the size of a city block, houses an immense casino, with convention hall, broadcasting studios, restaurant and dance auditorium. The pier has 24 fishing balconies and two large boat landings.

Greyhound racing will be started for a season of ninety days beginning with December 28th, at America's oldest Kennel Club track, when the fastest dogs in the nation will be brought, for nightly programs.

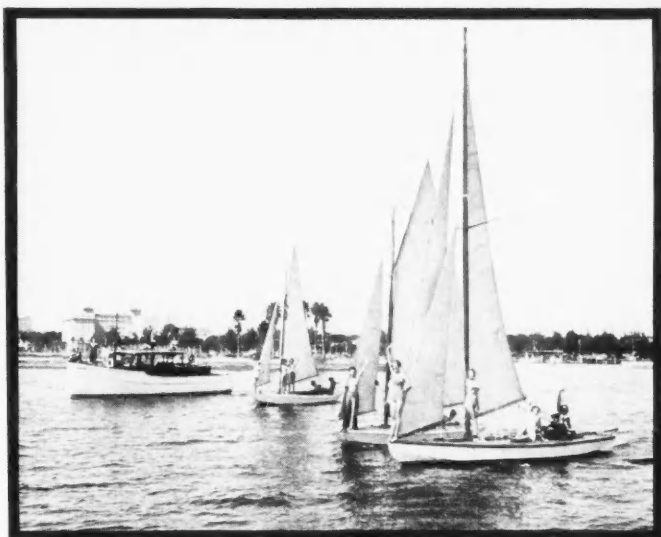
Arrangements for the entertainment of the younger winter visitors will for the third successive year be in charge of the Junior Chamber of Commerce. Boating excursions, dinner dances, tennis and golf tournaments, shore hikes and motorcades to interesting points near to St. Petersburg have already been scheduled for the season.

St. Petersburg has tourist clubs and societies of every nature open for the winter visitor; state, city and sectional social clubs, sports clubs and other organizations for hobbies such as stamp collectors, bibliophiles, shell hunters and archeologists. There is a club for the hard of hearing and

at the end of mile long Recreation Pier.

St. Petersburg is situated upon a long narrow-necked peninsula, seven miles wide and fifteen miles long, 275 miles to the southwest of Jacksonville. The Sunshine City is entirely surrounded by water and the motorist is forced to take note that he is forever crossing bridges in this American edition of Venice. There are vistas of beauty around every bend for the motorist.

Near to St. Petersburg is charming Clearwater, set high upon a hill overlooking the Gulf of Mexico. It is but 19 miles away. Adjoining Clearwater is the smart and distinctive Bellevue Biltmore colony. Just a little to the northward is Tarpon Springs with its world's largest sponge market, its countless scores of odd shaped sponge fishing boats painted every hue of the



ANY TIME IS SUMMER TIME in St. Petersburg, the city of sunshine on Florida's picturesque west coast, where visitors sail and swim while cold winds blow back home in the north.

—Photo courtesy John Lodwick News Service.

another for open discussions on any subject under the sun. There are numerous sun bathing and cabana clubs. There are organizations for retired police and firemen, railroad men and teachers, army and navy officers and many others.

SCHOOL facilities, public and private are available for 12,000 children of winter visitors, including the nationally known outdoor sunshine public school where teachers and pupils attend classes in bathing suits. There are churches of every denomination. There are 16 theaters open every day of the week. There are public halls featuring well known lecturers, entertainment programs and concerts. Weekly community sings with never less than 2,000 attending are held every Sunday afternoon in the public cinema.

rainbow, bobbing at the docks near to the heart of the city. This picturesque Greek colony transplanted from the Mediterranean to St. Petersburg's back door, is visited by tens of thousands every year and particularly for its colorful silver cross ceremony held on January 6th of every year.

Tampa and its old Spanish quarters lies just 19 miles by motor to the east of St. Petersburg and across the world's longest automobile toll causeway, Gandy Bridge.

St. Petersburg is annually the mecca of Florida visitors interested in visiting the outstanding features to be found nearby such as the famous Ringling art collection at Ringling Museum and winter circus headquarters; the magnificent bird sanctuary at Bok Tower with its melodious carillon bells; beautiful Silver Springs, colorful Safety Harbor and its health giving sulphur waters, Bradenton and its miles of orange groves, Sarasota and its great auto trailer camp.

St. Petersburg can be reached in one night by rail from New York City and other eastern points. It is but one night out of Chicago and Cincinnati, from winter to summer.

## TRAVELERS

Mr. and Mrs. N. L. Nathanson are leaving Toronto on December 26 to spend some months at their winter home in Miami Beach, Florida.

Mrs. Charles Burns and her little daughter, of Toronto, are spending the Christmas season with Mrs. Burns' parents, Mr. Norman and Hon. Cairine Wilson.

Mr. and Mrs. Hugh Fleming, of Ottawa, are the guests of Mr. and Mrs. Ian Breakey at Breakeyville, Que., during the Christmas holidays.

Lady Fiset and her daughter, Miss Renee Fiset, are in Quebec from Rimouski, and have taken apartments at the Claridge for the winter.

Mr. and Mrs. Albert Edmonds and Miss Ruth Edmonds, of Toronto, are in St. Petersburg, Florida.

Mr. and Mrs. J. W. deB. Farris have returned to Vancouver after a stay of six weeks in London, England.



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WINTER GOLF TOURNAMENT  
Victoria March 1-6, 1937

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Here, in this sun blessed city of the islands, you'll find excitingly different things to do and see—golf—tennis—riding—swimming from gleaming coral strands by sunlight or moonlight. There's a fast mile track where pari-mutuels are government supervised—game fishing among the islands—everything for a perfect vacation on the edge of the sunny Caribbean—far from the misery of Winter.

Splendid hotels and modern cottages. Fast and frequent steamship and airplane service.

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## QUEEN OF BERMUDA JANUARY CRUISES

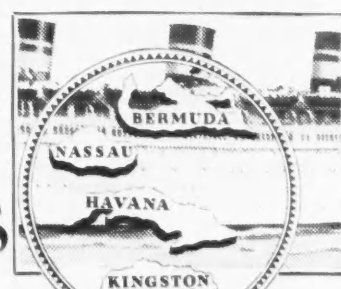
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INCLUDING PRIVATE BATH

Special Holiday Sailing to Bermuda, Dec. 29 \$80 up Round Trip







# SATURDAY NIGHT

SECTION III

BUSINESS » FINANCE » GOLD & DROSS » INSURANCE » THE MARKET

Safety for  
the Investor

TORONTO, CANADA, DECEMBER 26, 1936

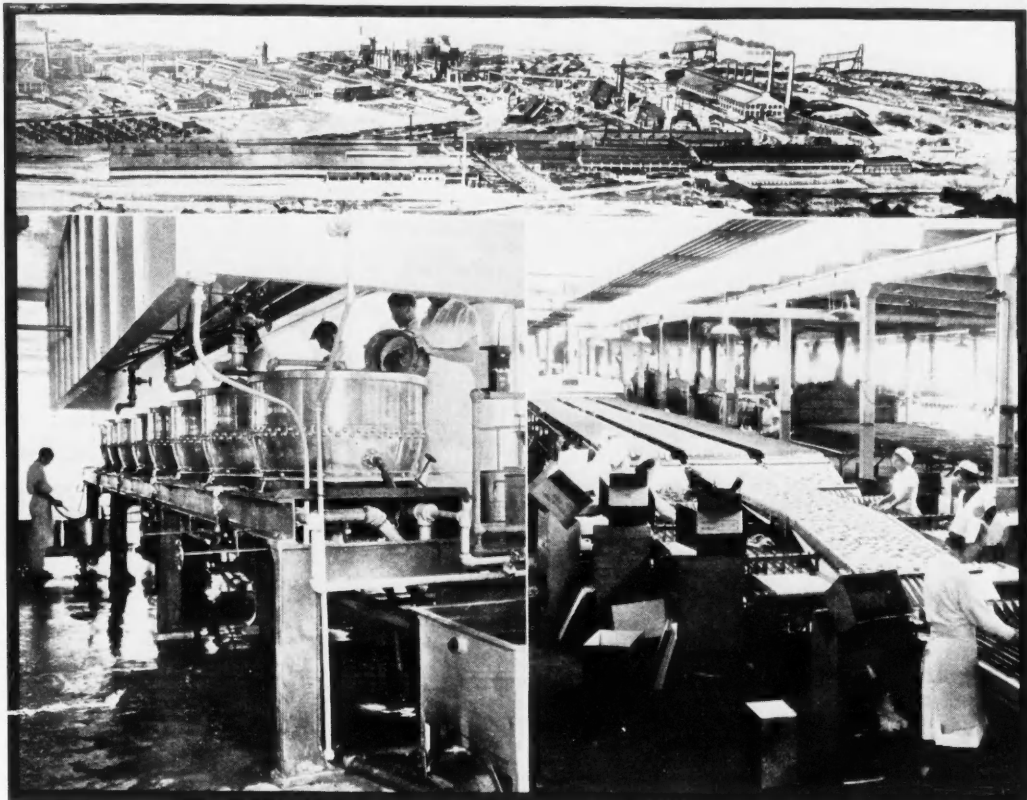
P. M. Richards,  
Financial Editor

## RE-EQUIPMENT OF INDUSTRY AND WHAT IT MEANS

Hundreds of Millions of Dollars to be Spent in Replacing Obsolete Productive Equipment in Canada in Next Few Years—Effects Will be Felt Throughout Economic Structure



BY ALBERT C. WAKEMAN



NEW EQUIPMENT AIDS INDUSTRIAL EFFICIENCY. The Steel Company of Canada, Ltd., the Hamilton works of which are shown above (top), has expended millions to maintain and improve its \$40,000,000 plant through the depression years, and further large expenditures are now being made. On the left is shown new equipment at the Campbell Soup Company Ltd. plant at New Toronto. On the right is shown the type of biscuit-baking equipment recently installed by Geo. Weston Ltd.

FIFTY million dollars for new railway equipment, fifteen millions for new farm implements, eight millions for extension of the Ford Motor plant at Windsor—that is the kind of industrial news we read today. It means, in some degree, the return of big business to Canada. What has been ordered already is small as compared with what is needed for the maximum efficiency and economy.

For seven years, since business started downhill near the close of 1929, there has been more or less starvation in every phase of economic life. It was particularly acute from 1931 to 1933. It was evident both in the things which we consume from day to day, and in the things which we build for the future. But the hunger of the former type, being just a daily demand, does not accumulate. The fact that we ate brisket in 1932 does not enable us to eat more than our fill of steak today. Demand for "consumable" goods changes relatively little, in quantity at least, from one business cycle to another, even from one generation to another. It is different with the "durable" goods—the kind which we make for the future. These are our buildings, our machines, even our automobiles, in fact everything which serves in industry or in consumption over a period of years. And there are many things not quite so obvious, but which are equally an investment for future benefit. The farmer who carefully fertilizes his land and rotates his crops is making a continual reinvestment of part of his annual output.

This accumulated demand for new equipment is one of the biggest factors in business today. Since business turned a little better in 1933, there has been gradual improvement in volume of sales in food, clothing and other articles for current consumption. And latterly, interest in things a little more permanent has developed. With a surplus over immediate needs, the householder starts thinking about what he will buy next. The automobile, still so new and so popular, enjoyed the first of this demand—undoubtedly to the detriment of some other lines. But there has also been substantial business in furniture, carpets, stoves and numerous other articles of household equipment. Even the dentists are being asked to look into more cavities than they have seen for many a year. In almost any factory in the country, you can find machinists putting into order equipment that has been idle and rusty. The Housing Improvement plan now being promoted through the Dominion Government and the banks, is sound in recognizing this essential and important step in the process of recovery.

BUT beyond this more urgent kind of repair and replacement work, there is an accumulation of demand for the still more durable and permanent goods, that rather staggers the mind. It may be merely a figment of the imagination, not to be realized in our generation. But equally possible, it may be the basis of a real and perhaps unprecedented boom in the next few years.

This demand arises in part through normal wear and tear. Many things deteriorate just as much through idleness as through use. The roof, and in fact all the exterior of a building, and the binder rusting behind the barn, are examples. One year does not matter much, but seven years bring a lot of change. Our accounting and financial experts quite soundly set ten years as the proper time in which to write off many machines and even some kinds of public works. And the still more durable types, the estimated life of which may run to fifty years, nevertheless go down hill considerably during seven years of use or disuse.

Equally significant are the inventions which bring obsolescence. Genius thrives through adversity, and in this past depression as in others, there have been thousands of inventions or improvements which have commercial value. The electrical field has been especially prolific of new and practical devices; the radio and the electric refrigerator of today are vastly superior to their predecessors of a decade ago. Millions of dollars spent on engineering skill have brought continual improvement in motor car performance; we do not need a 200 mile per gallon carburetor to revolutionize motor power, but if that

(Continued on Page 21)

THE idea that the keeping of recovery within bounds is the real need at this time, rather than the mere achievement of recovery, has made much headway lately. The U.S. financial press has many references to it and there are signs that for some time to come it will be well to the fore in the minds of the President and his advisers. A result is likely to be an important reduction in the volume of government spending. Presidential advisers who formerly were strong advocates of government spending are reported to be now telling the President that there is no longer any need to "prime the pump"; that the President, having proved he can handle a depression, must now show he can manage prosperity. Incidentally, this viewpoint may well cause a smile in Canada, where our national government has handled depression so much more moderately and less expensively and yet where progress in recovery has been greater. Concomitantly with the development of this idea in the States, the stock market averages at the beginning of this week were suggesting that the market may be about to enter upon a (probably temporary) period of decline (see the Business and Market Forecast on this page).

THE U.S. government will not find it easy to cut down on its spending. Neither, for that matter, will Canadian governments and municipalities find it easy, though it has to be done sometime. U.S. mayors have lately been in Washington protesting vigorously a 7 per cent. cut in relief, though this is nothing in comparison with what is due to come later on.

The *Wall Street Journal* has been saying editorially that the time has come when, in view of the extent of industrial recovery that has taken place to date, the question of the permanence of the Works Progress Administration and allied relief activities must be faced. At the time of the creation of W.P.A., many municipalities were unable to bear the burden of wide and adequate relief measures. The *Wall Street Journal* asks, does this condition still obtain? Is it not time for Congress to ask itself when, and under what conditions, it would be wise to make—not plan for—a definite start toward reducing the relief load? And then to ask itself if conditions today do not warrant that action? Canadian relief dispensers might well ask themselves these questions, too. We can be sure that no matter how much industrial activity and employment rise, there will be plenty of applicants for relief as long as relief is readily available.

WHAT will a reduction of government spending, accompanied perhaps by a decline in the stock market, do to business? At the present time business is still going ahead very nicely. As regards the U.S., Standard Statistics reports that virtually all the major indexes of business activity are continuing to rise, with numerous lines, including steel, electric power and cotton, establishing new highs for the year. The heavy industries, it says, continue in the van of the recovery movement. The steel industry has orders enough to assure practically capacity operations for the next two months at least; purchases of railway equipment last month were the largest for any month in six years; the demand for industrial machinery has lately been expanding sharply; the construction industry has been enjoying a sharp improvement with residential building contracts in November up 72 per cent. from the same month of 1935, and demand for electric power is rising so sharply that many utilities are making commitments for new electrical equipment.

IN CANADA, too, business has been making good headway, with our heavy industries in November operating at about 75 per cent. of capacity, as against less than 60 per cent. a year ago, and with prospects for continued improvement. Construction is far from being as active as we would like, but the new work in November was two-thirds greater than for November, 1935, and the trend is definitely upward. Newsprint production in 1936 sets a new record, and further increase is expected in 1937, with the industry reaching a healthier position financially; railway earnings are rising and railway equipment firms are increasing activity; power production is at a new high; the national lumber cut has risen to within 15 per cent. of normal, and, last but certainly not least, farm purchasing power is at the highest level since 1930.

WHERE does business go from here? The probability would seem to be that any restrictive action by governments in either the United States or Canada, designed to curb tendencies toward an inflationary boom, will not be strong enough to prevent further progress in recovery. Indeed, there is reason to doubt that such action can be powerful enough to achieve the aim of preventing an out-of-hand boom, in view of the impetus provided by normal reaction from depression conditions and the effects of past inflationary policies, notably those of the Roosevelt administration. Apparently, then, no more than a temporary slowing down of the pace of recovery is likely to come in the early future, no matter what governments or the stock market may do.

## MUNICIPALITIES AND RELIEF

Present System Places Inequitable Burden on Canadian Municipalities—Real Estate Owner is Real Victim

BY JOHN APPLETON

WE HAVE a chaos as regards authorities, a chaos as regards rates and a worse chaos than all as regards relief. These borrowed words apply to Canada today, as they aptly did to local government conditions in England, when uttered by Mr. Goschen about 1870. At that time the number of local authorities was far greater than at present. Then the duty to provide for the poor rested with 640 authorities—boards of guardians—which exercised jurisdiction over groups of parishes. The system was established in 1840, and replaced 16,000 odd relieving parishes and separated administration of relief from that with respect to municipal affairs. For its 40,000,000 people England now has about 140 regional areas for handling relief.

In Canada that ancient system, leaving care of indigents to the municipal parish, remains. Not infrequently, during the past few years, provincial ministers have insisted that their worshipers the mayors should see to it that their councils do their job in taking care of the unfortunate—able and disabled persons. The daily press announces that the heads of Ontario parishes, or to use the more familiar but no better term—the municipalities, are now being called to Toronto for the purpose of pondering the matter of their probable requirements as to the amount of assistance they will need in 1937, in carrying out their duty as relief distributors. These conferences are preliminary to another one to take place between the appropriate provincial ministers and those of the federal government with a view to, no doubt, getting as much as possible from it to be handed over by the Provinces to the municipalities. Both the Dominion and the Provinces will want to give as little as possible and it would appear to be quite reasonable that both will want to, or should, satisfy themselves that the municipalities are not being too generous in giving relief.

As between the Dominion and the Provinces there is the moot question as to which should give most; or as to whether one of them should give all and the other nothing. But whatever they decide to do, it is now tolerably clear that both regard the municipality as the authority primarily liable for relief, and whatever is done for them is to be regarded as aid while they are faced with a difficulty around their paternalistic parish hearthstones. By this time the main features of a municipal budget for 1937 should be fairly well determined. The old councils are going out and the new ones coming in. In the process of selecting the new members of incoming councils the taxpayers ought to know, with reasonable approximation to precision, what they are likely to have to pay. One of the major items will be that of relief. The size of it—to be borne by the unfortunate owner of a home or other real estate—will therefore not be known in time to give the tax-paying electors opportunity to say much about it until the money has been spent.

We are, then, to have nine Provinces, with sovereign powers, approaching another sovereign

power, with a view to considering what among themselves they will do in the way of alms for the 4,296 beggar municipalities in Canada. Happily there remains a number of these which seem to ask for any aid, and which take stern measures to not allow within their areas the growth of dependency. This type of municipality is usually governed by farmers, who generally can find the odd job for any person in their area who is likely to become a charge on their taxes. But the strictly urban municipality generally has a council which sees to it that no other council gets more per indigent in its jurisdiction from the sovereign powers, than any other council.

What other attitude can we expect from such a promiscuous way of dealing with a national problem—one that has always been with us, and will remain with us; it varies in intensity and sympathy with conditions, either good or bad, but which are due to causes of a national or general character. When the cause of distress is due to purely local circumstances local efforts and philanthropy will take care of it as it has always done.

WE HAVE therefore a situation in which 4,296 municipalities have imposed upon them primary responsibility for the relief of able-bodied persons in distress. Not being financially able in themselves to carry the load, which is not of their making, they press for hand-outs from the Provinces, and in turn, the latter hold out their tin cans to the federal guardians of the Dominion purse. In a number of cases—rather a sorrowful number—these municipalities, or their councils, have taken the cash paid to them by taxpayers specifically for application on municipal debt, and have applied it for relief. No

(Continued on Page 21)

## BUSINESS AND MARKET FORECAST

BY HARUSPEX

READERS WHO FOLLOW THIS FORECAST WILL REMEMBER THAT ON NOVEMBER 14 AND NOVEMBER 21 THEY WERE WARNED TO CUT DOWN ON THEIR INVESTMENTS IN STOCKS AND SPECULATORS TRADING ON A MARGIN BASIS WERE ALSO WARNED TO CLOSE OUT THEIR STOCK COMMITMENTS. THE MARKET WAS HINTING AT TROUBLE WHEN ON NOVEMBER 5 THE RAILS REFUSED TO BETTER THE OCTOBER 14 HIGH OF 59.89. AGAIN ON NOVEMBER 30 THE INDUSTRIALS REACHED 183.72 AND REFUSED TO TOP THEIR NOVEMBER 17 HIGH—SEE PRICE GRAPH. ATTENTION WAS THEN FOCUSED ON THE ABILITY OF BOTH AVERAGES TO KEEP ABOVE THE POINTS TO WHICH THEY HAD DECLINED ON OCTOBER 26 AND LATER ON NOVEMBER 23.

ON SATURDAY, DECEMBER 19 THE INDUSTRIALS JOINED THE RAILS IN BREAKING THE LOW POINT OF NOVEMBER 23. IMPRESSIVELY INCREASED VOLUME ACCOMPANIED THIS DECLINE AND IT IS NOW PROBABLE THAT A (Continued on Page 22)

DOW JONES AVERAGES—NEW YORK STOCK MARKET			
Industrials		Rails	
July 8 32	41.22	July 3 32	13.23
Nov. 14 36	184.90	Oct. 14 36	59.89
Oct. 26 36	172.30	Oct. 26 36	57.35
Dec. 19 36	177.61	Dec. 19 36	52.70

A—Bull Market started  
B—Last Important High Point  
C—Last Important Low Point  
D—Closing Prices



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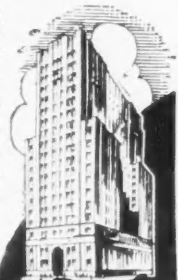
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## BREWERS AND DISTILLERS OF VANCOUVER LIMITED

To Shareholders and Holders of  
Voting Trust Certificates.

To avoid the danger that share-  
holders residing at a distance from  
Vancouver might lose the right to  
participate in the proposed distribu-  
tion of capital payable on Febru-  
ary 1st, 1937, in respect of frac-  
tional holdings, the time for ad-  
justment of certificates for frac-  
tional shares has been extended to  
March 1st, 1937.

Paragraph 8 of the circular letter  
dated November 12th, 1936, sent to  
all registered shareholders and  
registered holders of Voting Trust  
Certificates should, therefore, read  
as follows:—

"As no distribution may be  
made in respect of the new frac-  
tional share certificates, holders  
receiving fractional share certifi-  
cates must adjust such fractions  
by purchase or sale prior to  
March 1st, 1937, in order to partici-  
pate in the distribution in re-  
spect of fractional certificates.  
NO DISTRIBUTION—therefore  
will be made in respect of frac-  
tional holdings unless the same  
have been exchanged for certifi-  
cates for whole shares and  
REGISTERED PRIOR TO  
MARCH 1st, 1937."

By Order of the Board,

GEORGE W. TWITTEY,  
Secretary-Treasurer.

# GOLD & DROSS

It is recommended that answers to inquiries in this de-  
partment be read in conjunction with the Business and  
Market Forecast appearing on the first page of this section.

## ASBESTOS OF CANADA

Editor, Gold & Dross:

I am the owner of some common stock of Asbestos Corporation Limited which I bought earlier this year just as a speculation and on reports that the company was doing much better. You know what has happened to this stock lately and I have a handsome profit. The question is, should I take it? It seems impossible to get any real information, apart from confirmation that the company has continued to make progress. Even if this is true it seems hard to justify recent prices for the common as there is no chance, apparently, of a dividend. I know the matter is a difficult one, but your views would be greatly appreciated.

T. W. W., Toronto, Ont.

You have summed up the situation very well yourself. In the absence of any official earnings figures for the latter half of Asbestos Corp's fiscal year, it seems very difficult to justify current levels for the common stock. At the time of writing the market stands at 113 to 115, down slightly from the peak of 120 reached last week, but contrasting mightily with the year's low of 17½. The decision as to selling is one which you must make yourself and in which you will be guided by your general investment position, but I incline toward taking, in part at least, the profit which has accrued. You must remember that Asbestos Corporation common is very closely held, with the result that the effect of the recent encouraging news on the floating supply is greatly magnified.

The immediate cause for the recent spectacular appreciation was the announcement that on January 2 the company would pay 11 per cent. on its 6 per cent. general mortgage income bonds, being the regular 3 per cent. semi-annual distribution, together with 8 per cent. which would wipe out all accumulated arrearages. While this indicates a splendid earnings progress, it must be remembered that under the terms of the trust deed, \$250,000 annually from 1933 was to be applied for sinking fund purposes. These payments have not been made and as of the beginning of 1937, accumulations will total \$950,000, which must be cleared off before there can be any distribution on the common. In my opinion the value of the common hinges upon just this point—to what extent have 1936 earnings increased in proportion to this requirement—a point which cannot be settled until the annual report is available or the directors see fit to issue some interim information. There has been, of course, the suggestion that the income 6's might be refunded.

A few facts as to 1936 performance are known. Earnings per share on the common for the first six months amounted to \$1.79 as against 13 cents in the corresponding period of 1935. For the final period, no figures are available, but one fairly well-informed source has estimated a figure of \$2.21, or \$4 for the entire twelve months. It is known, as well, that the value of asbestos exports for the first ten months of this year showed a 67 per cent. gain over the corresponding 1935 period. Part of this rise was directly due to revival of the construction industry in the United States, but since exports to the rest of the world doubled as well, there has been a greatly increased world-wide demand for the Canadian product. Asbestos Corporation's real recovery dates from the drastic reorganization of 1932, but the year 1936 is the first, apparently, to restore real prosperity.

There is no doubt in my mind that the current position and prospects of the company are the brightest since reorganization, but whether or not current common stock prices are justified, it is impossible to say. Certainly I would hesitate to recommend purchase at these levels.

## B.C. POWER "A"

Editor, Gold & Dross:

I was just on the point of buying some of the class "A" stock of British Columbia Power which I remembered you had spoken of favorably in Gold & Dross some months ago, when I saw announcement of a new bond issue. I am not versed in financial matters and I rely almost entirely in making investments on outside advice, chiefly your own paper. Possibly I am too ignorant, but I would appreciate it very much if you could explain this new issue to me and how it would affect the holders of class "A" stock. What I would really like to know is if you still consider this stock a good buy.

—W. T. S., Brandon, Man.

I do. At current levels of 37½ the yield on B.C. Power "A" is 4.26 per cent. with the current \$1.60 dividend; earnings have shown a satisfactory increase in the first quarter of the current fiscal year, and eventually, I think, the previous \$2 distribution will be restored. The company is in a strong financial position, basic operating conditions are satisfactory, and business in British Columbia is experiencing a remarkable upturn, which should continue.

The new bond issue, to which you refer, contains nothing whatsoever of an adverse nature to holders of the "A" stock; its effect, as a matter of fact, is the direct opposite since the new bonds should allow a greater proportion of earnings to accrue to shareholders. The whole affair is what is known as a "refunding operation"; quite simply the substitution of new bonds, bearing lower interest for previously outstanding higher interest securities. In this case the company is substituting \$14,000,000 of new bonds, of which the large proportion bears interest at 4½ per cent. (the remainder at 3 and 3½ per cent.), for the previously outstanding 5½ and 5 per cent. issues. Through the lower interest payments required on the new bonds it has been estimated that approximately \$150,000 will be saved annually, or the equivalent of 15 cents per share on the "A" stock. It must be kept in mind, of course, that since the old bonds will not be redeemed until March 1, 1937, the saving will accrue during the current fiscal year only between that date and June 30 next.

For the first quarter of the current fiscal year increase in net amounted to the equivalent of around 4½ cents a share on the "A" stock and forward-looking prognosticators have estimated full year's earnings in the neighborhood of \$1.90 as against \$1.64 in the year ended June 30, 1936. Last year's figure was a drop from the \$1.69 reported in 1935 and previous figures had been \$1.65 in 1934, \$1.54 in 1933, \$2.01 in 1932, \$2.44 in 1931 and \$2.19 in 1930. Dividends at the rate of \$2 annually had been paid from 1928 to 1934. In the latter year and in 1935, \$1.50

was paid and the \$1.60 rate established in April of this year. The company's financial position is strong, the last report showing total current assets of \$7,758,936, including cash of \$1,102,784 and marketable securities of \$3,127,395, against total current liabilities of \$3,524,510. Earned surplus, after addition of \$91,412 for last year, amounted to \$1,239,401.

Space does not permit me to outline the complete position of British Columbia Power as a holding company, and I can merely confirm the sound operating position of subsidiaries and amicable political relationships with customers and taxing authorities. Employee relationships, an important point in the public utility field, remain satisfactory and important wage and salary restorations have been made. I think that the "A" stock can safely be put in the investment classification and it possesses, as well, interesting future possibilities.

## GUNNAR GOLD

Editor, Gold & Dross:

Will you please give me what information you can about the value of Gunnar Gold stock. I bought some a while ago and would like to know which is wiser—to sell it or buy more.

—B. V. C., Toronto, Ont.

Gunnar Gold Mines, Limited, came into production only last May and value of output up to the end of November was in excess of \$318,000. November production, at \$56,000, was the best month to date and good profit is being returned at this rate. It is expected a monthly output of \$50,000 will be maintained and with costs around \$20,000 a month, the operating profit should be in the neighborhood of \$360,000 annually or thirteen cents a share per year. Development at depth is proving favorable and the No. 2 shaft is down 275 feet. A raise from the third level crosscut north will be put up to connect this shaft through and development will proceed west on the vein, which was previously cut by diamond drilling in which two holes gave good values. The No. 1 shaft is down 1,000 feet. An extensive underground drilling campaign is proceeding from this level.

The future development of this property holds considerable promise. No more heavy expenditures are in sight and the company is now in position to build up a surplus from which to pay dividends. The loan of \$250,000 secured to build the mill, has all been repaid this year. There are no stock options outstanding and 345,869 shares remain in the treasury.

## BEATTIE, LAPA CADILLAC

Editor, Gold & Dross:

I have been thinking of purchasing some shares in either Beattie or Lapa Cadillac but before doing so would like your comments. I understand that there is a likelihood of both these mines appreciating in the Spring. Thank you for this and past favors.

—F. N. C., Capreol, Ont.

Beattie Gold Mines is at present realizing substantial profits from its large scale, low grade operation in Duparquet township, Quebec, and is likely to sharply increase earnings as a result of plans to treat concentrates on the property. Erection of a plant for the roasting of primary concentrates prior to cyanidation is proposed, which will make the plant a self-contained unit and should increase present profits as much as twenty-five per cent. The company's major problems have been metallurgical, as the fineness of the gold in the ore, along with arsenopyrite mineralization, made it impossible to get a reasonably full recovery of the metal at the property and concentrates were shipped to Tacoma, Washington. These, however, have been stored this year. No additional financing will be required for the erection of the plant, estimated to cost about \$630,000. Despite the difficulties the company has raised the daily tonnage to 1,400 tons. Net profits in 1935 were 8.2 cents a share but for the first nine months of 1936 earnings, before allowances for taxes, depreciation, etc., were 12.4 cents a share.

The Lapa Cadillac Gold Mines operation is an interesting one and appears to hold considerable promise. The shares have recently appreciated sharply on reports of high grade discoveries on the 165-foot level. While this news is unconfirmed the management admits good looking ore has been encountered. The Lapa Cadillac property is several miles east of O'Brien and adjoins Rubec on the north east. Work to date has indicated two zones about 50 feet apart and values have been interesting. Drifting is underway in both directions on these two veins. The capacity of the mining plant was recently doubled and sinking is planned to open three new levels. The management states there will be no official details of sampling results until the full program of work has been completed.

## PICKLE CROW, KEWAGAMA

Editor, Gold & Dross:

As a keen follower of your Gold & Dross page, I wonder if you would be good enough to advise me on the prospective merits of Pickle Crow and Cartier Malartic. I understand that these may both be classed as speculations, but am wondering if they may be regarded as fairly sound, with prospects of market appreciation. Any data you may be able to give would be much appreciated.

—R. E. W., Quebec, Que.

With the steady growth apparent at Pickle Crow Gold Mines, the shares in my opinion offer promising possibilities, both for appreciation and future dividends. Minimum dividend payments of 40 cents a share are assured for 1937. Mill enlargement is proceeding rapidly and a minimum capacity of 400 tons is the objective as compared with the present rate of about 140 tons. It is anticipated the milling rate will be up to 250 tons a day by the end of February and then as speedily as working conditions permit will be stepped up until the new capacity of 400 tons has been attained. On the basis of 250 tons a day, production is expected to approximate \$250,000 a month with earnings perhaps a little better than \$150,000 a month. Considerable interest attaches to depth development, the shaft is down

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## Dividend Notices

### Imperial Bank of Canada

#### DIVIDEND NO. 186.

Notice is hereby given that a Dividend of two and one-half per cent. (2½%) has been declared for the quarter ending the 30th January, 1937, payable at the Head Office and Branches on and after Monday, the First day of February next, to shareholders of record of 31st December, 1936.

By order of the Board,

A. E. PHIPPS,  
General Manager.

Toronto, 16th December,  
1936.

### Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1½% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 2nd, 1937, to shareholders of record as at close of business December 15th, 1936.

(Signed) W. S. BARNER,  
Secretary-Treasurer.

## SECURITIES HOLDING CORPORATION

Limited

#### DIVIDEND NOTICE

Notice is hereby given that an interim dividend of Sixty Cents per share on the outstanding Preference Shares of the Company has been declared payable January 2nd, 1937, to shareholders of record at the close of business on the 15th day of December, 1936. The transfer books will be closed from the 21st to the 25th days of December, 1936, both days inclusive.

By order of the Board,

F. T. LARGE,  
Secretary

#### MORE SUGAR

THE total quantity of sugar manufactured in Canada (both cane and beet) during 1935 was 980,625,000 pounds. In 1934 the corresponding figure was 874,667,000 pounds, while the final figure for 1934 was 888,763,000 pounds. On the same comparison granulated sugar (cane and beet) increased from 762,065,000 to 866,595,000 pounds; and yellow and brown sugars rose from 112,601,000 to 114,030,000 pounds. Export shipments of sugar declined, on the same comparison, from 15,969,000 to 9,434,000 pounds; but domestic shipments increased from 900,138,000 to 955,294,000 pounds. Stocks on hand at the end of last year totalled 189,288,000 pounds as against 173,253,000 pounds at the end of 1934.

# GOLD & DIAMOND

1,200 feet and it is estimated that by the middle of February, operations will be in ore on the three new lower levels. Diamond drilling has shown a decided increase in width of ore at depth. The property is still in the early stages of exploration with development work to date having been concentrated on a comparatively small portion of the property, which totals some 2,500 acres. The present financial position of the company shows \$500,000 cash in the treasury and \$350,000 in supplies on the property.

Kewagama Gold Mines has taken over the property of Cartier-Malartic and Canadian Gold Operators, adjoining O'Brien Gold, in Cadillac township, Quebec. Back in 1931 the recently transferred property was acquired from Cartier-Malartic by Canadian Gold Operators for 1,000,000 shares. However, diamond drilling and underground work failed to disclose any commercial occurrence of ore. It is now believed that with the knowledge gained from O'Brien, additional work may indicate important ore and the low-grade possibilities of the property will be further investigated. While only an interesting prospect at present, it remains for further work to prove or disprove the existence of geological conditions favorable to ore deposition. The Cartier-Malartic company will retain its identity and holdings of its stock gives an indirect interest in the new company, through the original holdings of Canadian Gold Operators.

## POTPOURRI

J. P. Kincardine, Ont. You should write to the Chartered Trust and Executor Company, 31 King St. West, Toronto, in connection with the securities of ANCROFT PLACE LIMITED which you hold. You do not tell me in your letter whether or not you hold the first mortgage or the second mortgage bonds. In either case, you should send your bonds in to the Trust Company for the exchange of securities agreed upon under the reorganization of the company. If you are a holder of the first mortgage bonds, you will receive 2% interest payment covering the period March 1st to August 31st, 1936, and will receive new bonds and class "A" shares of the company. Holders of the second mortgage bonds are receiving "B" shares in exchange.

W. J. B. Springhill, N.S. By PORCUPINE CENTRAL, I presume you mean CENTRAL PORCUPINE MINES. While no commercial ore bodies have so far been located the encouragement presently being met makes the shares a promising speculation. Work is now at an interesting stage, being in a potential area under a porphyry mass and gold values were cut in Number 14 drill hole. A quartz vein which is said to compare favorably with some of the veins at the McIntyre, was encountered in the Number 15 drill hole.

R. J. Lachute, Que. ABITIBI common can only be regarded currently as definitely speculative and I think that its purchase can only be recommended to those who are prepared to gamble, knowing the risks involved. I do not think, furthermore, that there is any possibility of any distribution on Abitibi common during the two year period you have in mind. Subject to the above, however, I do feel that purchasers at current levels who are prepared to do without income, might find the common stock in two years' time selling at considerably higher levels. The newspaper industry, during the past year, has been operating at new high levels, consumption in the United States where advertising lineage is still growing, continues to increase, and I think that the general rate will be in direct accordance with the general trend of business. Most well informed observers are of the opinion that this trend will continue upward during the next year, at least. Where a common shareholder might lose out, of course, would be in the event of some fairly drastic reorganization being accepted, largely at the expense of the common shareholders.

R. F. G. Toronto, Ont. MONARCH MINES can be classed as an interesting prospect but not as an investment. The company has a property in the Great Bear Lake district and 634 acres in Dassarat township, Quebec. A mining plant has been installed on the latter property and a shaft sunk to 150 feet. Several hundred feet of lateral work has been done but no estimate of values is yet available. The sulphide vein, south of the main vein, located in October is to be diamond drilled.

T. M. St. Andrews, N.B. I would suggest that you retain your class "A" preferred stock of MAPLE LEAF MILLING COMPANY LIMITED. Not only are this company's mills operating at capacity at the present time but in the year ended July 31st, 1936, operating income rose to \$458,807 as against \$193,886 in the previous year. After payment of bond interest last year, partly in cash and partly in stock, however, there was a net deficit of \$128,702 against a net deficit of \$383,318 in the previous year. The company has reported net deficits since 1931, but last year's was the smallest during this period. With improving prices and capacity operations, I think that the current year should show similar progress and that it would be quite reasonable to anticipate further appreciation for the class "A" preferred. Following its reorganization in 1934, Maple Leaf Milling is gradually getting its financial house in order and I think that over a period of years the class "A" preferred should show you a nice profit.

S. L. J. Port Arthur, Ont. JELLICOE CONSOLIDATED GOLD MINES was formed to succeed Jellicoe Gold Mining Company, and is capitalized at 5,000,000 shares of which less than half are issued. Several ore zones have been indicated in diamond drilling. A shaft is planned but this may await more information regarding new possibilities to the east. There is a long, wide belt of favorable structure on this property along which gold deposition has been indicated.

R. M. Toronto, Ont. I think that you would be well advised to retain your SHELL UNION OIL. Developments have pretty well worked out as you anticipated and given continuance of general market trends, I think that further appreciation for the stock should be witnessed. You will probably have observed that on November 24th the company declared a dividend of \$26.12½ per share on the 5½ per cent. preferred stock, clearing up all arrears, the dividend being payable December 15th to holders of record December 4th. At the same time, directors declared a dividend of 25 cents a share on the common, the same dates applying. The last previous disbursement on the common stock was 35 cents a share on June 30, 1936. The company's earnings for the current quarter, I understand, are showing the same excellent progress experienced earlier this year and it is estimated that earnings may reach \$1.30 a share on the

common as against 30 cents in 1935. Although the company's trend of gross operating income has compared satisfactorily with that of the industry at large, the relatively high costs which resulted from the sharp expansion of facilities and heavy depreciation and depletion charges have restricted net income. However, definitely conservative accounting practices have permitted the maintenance of a strong financial condition and a substantial reduction in funded debt since 1929. The company is advantageously situated with respect to competition, both in the producing and distributing ends of the business.

R. J. Cornwall, Ont. In view of the progress which DOMINION STORES has been making during the past year, I think that your best course would be to retain your stock, rather than sell it at current levels of 11, which compare with a high of 12 and low of 8 for the current year. I cannot predict, of course, that there will be a great deal of near term appreciation for this stock, but there appears to be every indication that the upward trend in sales is continuing, and if so, this should lead to material eventual appreciation. There is no possibility, of course, of any near term distribution on the common stock, but you will recall that for a number of years in the past, before it suffered from the effects of the Royal Commission on Price Spreads, the company was not only a substantial earner, but a regular dividend payer. I think that in all probability over the long term you will not find it necessary to incur a loss on this stock.

C. W. J. Ocean Falls, B.C. MOSHER LONG LAC GOLD MINES has capable management. Liquid assets at the end of August were close to \$200,000. The company's property adjoins Little Long Lac Gold Mines and MacLeod-Cockshutt Gold Mines, and diamond drilling is proceeding in an endeavor to pick up an extension of the ore zone on the latter property. Some encouragement has been met with but further exploration will be necessary before its possibilities will be known.

M. P. Toronto, Ont. I do not think you would be making any mistake by following your original suggestion to purchase IMPERIAL OIL and BELL TELEPHONE. These are both seasoned securities and while the oils have been weak on the market recently, I do not know of the existence of any basic factor which would indicate the destruction of their future as investment securities. With regard to Bell Telephone, the company has been experiencing a satisfactory upturn in income and it is generally believed that restoration of the former 8 per cent. dividend will eventually be achieved. I would suggest that you retain your LOBLAW and your GATINEAU POWER 5 per cent. bond.

R. M. L'Orignal, Ont. MURPHY MINES is an inactive gold prospect in the eastern section of Kirkland Lake. Your guess is as good as mine as to whether the price of the shares will advance in six months. A price upturn is dependent on additional financing and the consequent development results.

R. L. Saint John, N.B. It is true that ANGLIO-CANADIAN TELEPHONE has been regularly meeting the dividend of 55 cents annually on its Class "A" stock but the only earnings figures so far made available since the formation of the company covered a partial period up to last December. A much clearer view of the stock can be taken when 1936 figures are available and it is determined by what margin the company is earning the dividend requirements. I understand, however, that business with the British Columbia Telephone, the operating company, has been showing satisfactory increases.

A. D. L. Timmins, Ont. The most recent information I have on WOODS-PORCUPINE MINING SYNDICATE is the proposal to form a company to be known as WILWOOD GOLD MINES, LIMITED. The syndicate has large holdings in the Night Hawk Lake section of the Porcupine mining area and good drilling results are reported. One thousand units have been optioned by AQUARIUS PORCUPINE GOLD MINES LIMITED, whose property is located in the same area, for a cash price of \$30,000 and 15,000 shares of Aquarius stock. They have until July 27, 1937, to complete their option. It remains for further work to determine the possibilities of the property.

E. C. Foster, Que. One reserves at J. M. CONSOLIDATED GOLD MINES are estimated at about 45,000 tons, grading between \$11 and \$12, above the 250-foot level. Short lengths of ore have been developed on five levels to a depth of 625 feet in another section of the mine. The ore outlook is somewhat indefinite and apparently has not opened up as rapidly as anticipated. However, the property has possibilities as further work is carried out.

W. T. Victoria, B.C. BLUE RIBBON CORPORATION, preferred, currently selling at 33, paying \$2 annually and yielding 6 per cent. I regard as moderately attractive for income, in view of the progress the company has been making recently. The \$2 distribution on the preferred has been maintained since 1932, and at the present time dividend arrearages amount to \$1.93 per share. Naturally the company suffered through lack of buying power during the depression years, but for the year ended June 30, 1936, \$2.22 was earned per share on the preferred stock, as against \$1.98 for the previous year. This is a reasonable margin of coverage over the \$2 distribution and should earning power continue to mount, it should not be too long before the company could attempt reduction of the existing arrearages. The last balance sheet showed total current assets of \$1,536,791 made up, however, mostly of receivables and inventory, against current liabilities of \$624,413, including bank loans of \$356,810. In all probability reduction in bank loans will be one of the first considerations for the company, taking precedence over dividend matters.

R. H. S. Stratford, Ont. ADANAC GOLD MINES was taken over this year by ADANAC-QUEBEC MINES and you are entitled to one new share for each two held. A shaft has been sunk to 500 feet on the property, which is southwest of the McWatters Mine, in Rouyn township, Quebec. Underground development is proceeding on a moderate scale and a wide quartz vein, well mineralized, has been exposed at the bottom horizon.

B. J. Midland, Ont. I see no reason why you should currently dispose of your BRITISH AMERICAN OIL common, despite the fact that the stock is currently selling a couple of points below the price you paid for it. There are two points, both important, which you should take into consideration. One is that the oils have been somewhat overlooked in the recent general market upturn, and the second that B. A. Oil has paid an extra dividend of 20 cents this year, on account of its American operations. In addition to this, there is no reason to believe other than that the company has enjoyed a good year in the domestic market, and earnings from this field alone have been covering past dividend disbursements by a satisfactory margin. I think that the forthcoming annual report should make satisfactory reading for shareholders.

M. B. Woodstock, Ont. You are entitled to one share of DUNLOP CONSOLIDATED MINES for each five held and it is to your advantage to make the transfer, as the quotations given daily refer to the new stock. The company is obtaining encouraging results from diamond drilling at its Maynard property in the Cadillac area of Quebec.

G. N. Port Colborne, Ont. I see no attraction to the common stock of BREWING CORPORATION OF CANADA, currently quoted at 2½. In the 12 months period ended July 31st last, the latest figures available, Brewing Corporation earned \$1.26 per share on its preferred stock, against a dividend payment of \$1.50, and against cumulative requirements of \$3.00 per share on this stock. The current yield on the preferred is 10 per cent, which is in itself an indication of lack of confidence in continuation of distribution. Certainly there is no prospect whatever of any distribution on the junior security, nor do I know of any development which would be likely to cause any appreciation for this stock.

T. J. W. Arnprior, Ont. CANORA GOLD COPPER MINES acquired the assets of Ostrom Gold Mines, share transfer was on the basis of one Ostrom for two Canora. The company holds 760 acres in the Boston Creek area on which considerable work was done but I have no record of any recent activity.

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## PAPER EXPORT TRADE

A GAIN of 10 per cent. characterized the paper export trade of Canada during the fiscal year which closed with March, 1936. Exports of all paper products increased by a little over 10 per cent. Exports of newsprint, which constitute more than 90 per cent. of Canada's total paper exports, rose by a little over 10 per cent. in value and a little more than 11 per cent. in volume. Increases were also shown in all but one of the Dominion's other paper products which are listed in the fiscal year returns. Exports of the raw material, pulpwood, declined as compared with the previous fiscal year, while exports of the partially manufactured material, woodpulp, showed a material gain. Production of newsprint in Canada in April was the highest on record for that month.

Total exports of paper from Canada in the last fiscal year had a value of \$97,094,000. In the fiscal year ended March, 1935, the value of these exports was \$87,569,000. Of the total paper exports in the last fiscal year newsprint accounted for \$90,761,000, while in the previous fiscal year the value of these exports was \$82,147,000. On the same comparison the volume of newsprint exports rose from 47,850,000 to 53,261,000 hundredweight. Exports of pulpwood decreased from 1,003,000 cords valued at \$7,131,000 in the fiscal year 1935 to 973,000 cords valued at \$6,943,000 this year. Exports of woodpulp increased, on the other hand, from 12,249,000 to 13,722,000 cwt. and from \$25,869,000 to \$28,103,000.

Of other exports of paper products from Canada in the last fiscal year, the largest value was provided by paper board, with pulp and fibre board second and books and printed matter third. The sole decline was reported in wall paper from 1,874,000 rolls valued at \$212,000 in 1935 to 1,783,000 rolls valued at \$195,000 this year. On the other hand, exports of paper board increased from \$2,314,000 to \$3,039,000, and pulp and fibre board from \$858,000 to \$981,000, the quantity of the latter rising from 279,000 to 307,000 cwt. Roofing paper increased from \$76,000 to \$102,000; wrapping paper from 245,000 to 251,200 cwt. and from \$690,000 to \$751,000. Book paper exports advanced from 50,700 papers valued at \$351,000 to 435,000, and books and printed matter from \$669,000 to \$818,000.

Canada is the world's largest producer of newsprint. A new record was set up in the calendar year 1935 at 2,753,000 tons, the previous peak being 2,725,000 tons in 1929. The latest world comparisons available are for the calendar year 1934, when

Canada's output was 2,599,000 tons, the United States 957,000 tons and the United Kingdom 940,000 tons. The Canadian output in April last was 278,000 tons as compared with 26,000 tons in the United States. The peak monthly output for Canada was set up in October, 1935, at 260,000 tons. In the calendar year 1934 exports of newsprint from Canada accounted for 67.5 per cent. of the total exports of the thirteen leading paper-exporting countries of the world. Exports from Canada in 1934 amounted to 2,411,000 tons; while in 1935 they had risen to 2,574,000 tons, of which over 70 per cent. went to the United States.

## QUEBEC HANDICRAFTS

DURING the last few years a remarkable revival in handicraft arts has taken place in the Province of Quebec. This renewal in peasant art is interesting from several aspects, says the Canadian Government Information Bureau. For the peasant or farmer it constitutes an additional source of revenue, and by creating more work right in the home it establishes an efficacious means of keeping on the land sons and daughters of farmers who might otherwise be attracted by the mirage of big cities. For the province it is a precious art in that it contributes to the retention of skill in the production of original and typical Quebec works of art. The peasant arts also provide an added attraction for tourists, who are greatly interested in the rugs and other examples of domestic arts and have created a ready market for these home products.

Many antique-loving tourists have acquired spinning wheels for their collections while visiting Quebec, but the supply is far from exhausted, as a recent census accounted for 32,100 looms and 80,500 spinning wheels still in the province.

The revival of peasant arts got under way a little more than six years ago, shortly after the founding in Quebec of a school of domestic arts. By direct teachings to pupils in the school itself, or by demonstrations and exhibitions in the various rural municipalities, this school of domestic arts has contributed to a great extent in reviving interest in these arts and in elevating the quality of the products. The progress achieved has resulted in beneficial effects for other branches of agricultural production. For in 1935 alone, the quantity of wool employed in the making of rugs, quilts, homespun, and the like, was nearly three million pounds.

The revival of handicrafts is not limited simply to the fabrication of rugs, blankets and homespun. It also includes furniture, leather goods and even pottery.



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### NOTICE TO READERS

Saturday Night's Insurance advice service is for the use of paid-up subscribers only. Saturday Night regrets that it cannot answer inquiries from non-subscribers.

Each inquiry must positively be accompanied by the address label attached to the front page of each copy of Saturday Night sent to a regular subscriber and by a stamped, self-addressed envelope.

Each letter of inquiry should refer to one subject only. If information on more than one subject is desired the sum of fifty cents must be sent with the letter for each additional question.

Inquiries which do not fill the above conditions will not be answered.

# Concerning Insurance SOCIAL SECURITY

Opinions Vary as to Effect Upon Private Insurance of  
the United States Social Security Law

BY GEORGE GILBERT

SOME close observers across the line are of opinion that the federal social security legislation is preparing the way for a large increase in private insurance business. It is argued that the vast amount of publicity which the law is receiving is making the nation "security-minded," and is thus furnishing institutional advertising of the best sort for life insurance.

One prominent life insurance field man contends that the life underwriter will find the way paved for him to sell annuities and retirement income policies, not only to those coming under the Act who will be dissatisfied with the small benefits which it provides, but more particularly to the business and professional men who will not share in the benefits.

In some quarters it is regarded as a reflection on the intelligence of this rich and powerful nation that a law has to be passed to make people provide for their own old age. While no fault is found with the principle of making people financially independent when they reach retirement age, there is a question whether this Act is equipped with the proper machinery for the purpose. It is believed that the public generally are not going to be satisfied with its provisions when they realize that a man now 25 years of age must earn \$100 a month for 40 years in order to secure a monthly income of \$50 after age 65.

There is no doubt that many people will not be satisfied to depend upon this plan for their old age security, and will accordingly seek to supplement it through the purchase of pension bonds, retirement income policies, and other forms of annuity contracts from private insurance institutions. One outcome of the social security law is likely to be that older people will be employed more readily if they have private insurance protection of their own.

It will be recalled in this connection that the inauguration of war risk insurance by the United States Government at the time of the great war, which was at first looked upon by the insurance companies as competition and detrimental to their business, resulted in greatly increased sales of private insurance after the law went into effect.

Other observers have expressed the view that the U. S. Social Security Act is nothing more or less than a political racket, because it gives political control of a fund greater than ever before segregated for insurance purposes. While at the same time the insured receives benefits from it much less than private old-line insurance would provide for the money. They point out that the social security law gives the party in power the opportunity to increase the national debt by issuing bonds and selling them to the Social Security Board, and then using the money so obtained for any political purpose necessary to continue the party in office.

They regard the law as a mask for the securing of more political power. As a measure of protection against misuse of the money collected under that Act, and against further increase in the national debt, it is contended that the funds should be invested in the industries from which they were obtained and in interest-paying real estate, or that a portion of the principal and interest should be used to purchase old-line paid-up policies for the employees, the amounts to be increased each year by the payment of a percentage of the insured's social security assessments. Under such a plan there would be no lapses of policies, and the insured, it is claimed, should have the choice of a life, endowment or annuity contract.

IT IS ARGUED that the only benefit of the social security law is the compulsory insurance feature. As private insurance companies would furnish greater benefits, without increasing the national debt, why, it is asked, issue bonds on which interest will have to be paid, when the collected money could thus be invested where it would pay interest, adding to the fund in a normal business way?

FIFTHLY, it is charged that the social security law is not business-like or efficient. The government has already financed the banks full of frozen securities. It is claimed, and is using the social security law for the purpose of providing a new market for its bonds. Debtors could use more money to live more men, it is noted, while the purchase of government bonds benefits the banks but the taxpayers and their beneficiaries. The country has already witnessed the reckless spending of the proceeds of former bond sales, and the question naturally arises: What would happen with forty billions of the remainder of the government?

Another point to which attention has been directed is that all the people would be paying interest on these additional government bonds, out of their hard-earned fifty-nine cent dollars, while the security law would only benefit a few of the great body of workers. Likewise the social security law will not put the unemployed to work again or make new jobs except for those employed in the administration of the law. In addition to the bond interest, those with jobs will have to shoulder the relief burden. There is the further possibility of many employers being taxed out of business, or of being driven to the wall by government competition.

As the proper function of government is to initiate and carry out the laws required for the protection of life and property, it is naturally regarded as an infringement on the rights of the people when it enters a private business like insurance. There is no question that such action often results in excessive hidden taxes, thus

doing away with the possibility of the people ever being able to ascertain the true cost of the government's venture into the domain of private business. As a matter of fact, the government has no more right to enter the insurance business—though its right to regulate the transaction of the business is admitted—than it has to enter into competition with the department stores or even the corner grocers.

THERE is a matter which is of considerable concern both to employers and employees throughout the United States, and that is the constitutionality of the federal social security law. It has been pointed out that the United States Supreme Court's decision by a four to four vote, without an opinion, upholding by precedent rather than by a judicial pronouncement the judgment of the Court of Appeals of New York with respect to the constitutionality of the New York State Unemployment Insurance Law, does not settle the question whether or not the Federal Social Security Act is also constitutional.

Under the unemployment insurance law of the State of New York, a tax is levied on certain employers to build up a fund for the purpose of paying unemployment compensation to employees. The U. S. Supreme Court now holds that such a levy, in the case of the State of New York, is not taking property of employers without due process of law. It is understood that when the test of the constitutionality of the federal social security law comes before the Supreme Court there will be more than the "due process" rule pressed in the arguments against the Act.

It is to be remembered that the federal social security law is not a single instrument dealing with a single legislative problem as in the case of the unemployment insurance law of the State of New York. The federal law is a combination or fusion of a series of distinct and independent measures to achieve a broad, common purpose. The law aims to relieve the lot of millions of working men and women who become victims of unemployment, dependent old age, illness and other adversities of life, and who thus not only become a burden upon the state but a drag upon the economic vigor of the entire country because of their lack of means to purchase goods and pay rents and taxes.

As the federal social security law is independent of any similar state statute, it is really a supplement to like state statutes. The states cannot get certain financial benefits of the federal social security law without enacting a state law with regard to unemployment compensation and old age pensions, but the states are free to make their own law as they see fit. But the state law must comply with certain minimum requirements in order to enable the state to receive grants under the Federal Social Security Act.

### SHOULD LOAN AND SURRENDER PRIVILEGES BE RESTRICTED?

DIRECTOR of Insurance Ernest Palmer of Illinois, in an address delivered at the annual convention of the Life Presidents Association in New York on December 3, made the following pertinent remarks, among others:

"Should legislation be enacted which will allow a life insurance company to sell a policy that protects the widow and orphan—protects them not only from the loss of the breadwinner but protects them from his folly? You know that many life insurance premiums are paid by the economy and self-denial of the wife and mother, and I feel that steps should be taken which will assure her definitely and beyond peradventure the results which she has a right to expect as the fruit of such self-denial.

"Do you agree with me that the life insurance companies should be able and would they be willing to issue a policy of life insurance that will be sure, where the premium would buy a life insurance policy and nothing else where the values would be available to continue this policy in the event of economic stringency—and whereby the widow and the orphan would be sure to get the protection which they had paid for? Something should be done to place it beyond the power of the average man to rob the babies' bank, to remove this fund which has been sanctified by the toil and sacrifice of the average housewife from the assaults of outside interests.

"Anyone, especially in an official capacity, who raises a problem for consideration should perhaps have the courage to offer a remedy for the consideration of those who may agree with him that a problem exists. I make bold to do so. Adequate legislation should be enacted in the several states which will permit life insurance companies to issue a policy which has the most liberal provisions for premium loans and extended and paid-up insurance—possibly one that provides for practically 100% application of the reserve for such purposes but is not subject to surrender for cash and on which said reserve is available only for premium loans.

"At the same time, I would not prohibit companies from writing a policy with cash surrender values but I would have such values based upon lower reserves produced by assumption of a higher interest rate or by application of a compulsory minimum surrender charge. If a man wants you life insurance folks to act as his banker and you are willing to do it, that is all right, but certainly he should pay for the banking privileges. There is no reason why he



H. L. KEARNS, Casualty Manager, Shaw & Begg, Limited, Toronto, who was recently elected Vice-President, representing Ontario, and a Director, representing Toronto, of the Dominion Automobile Safety Council, Inc. The object of this country-wide organization is the inauguration of a campaign to bring about a reduction in the tremendous loss of life and injury to persons caused by automobile accidents.

should take a policy which carries practically a demand for cash value unless he is willing to pay for it. If he wants to have the advantage of a savings account combined with his life insurance, why should you pay him more interest on his savings account than the conservative banking institutions of this country will pay? Or why should he expect you to? Is there any black magic in this life insurance business which enables you to pay more than the banking interest? I do not think so. Are we not facing an extended period of low interest yields?"

### OFFICERS OF LIFE UNDER- WRITERS

AT THE annual meeting of the Life Underwriters Association of Toronto on December 19, in the Royal York Hotel, the following officers for 1937 were elected: President, J. S. P. Armstrong, A.I.A., Dominion of Canada General Insurance Company; first vice-president, A. E. Wall, C.I.U., Confederation Life Association; second vice-president, A. C. Dand, C.I.U., Travelers Insurance Company; hon. treasurer, A. L. Spracklin, C.I.U., London Life Insurance Company; hon. secretary, J. C. Kyle, Metropolitan Life Insurance Company.

Mr. Armstrong is well known in Toronto and Ontario insurance circles, having for many years taken an active part in the association's work. He is secretary of the education committee of the Toronto Insurance Institute, and a member of the Insurance Institute of America and the Life Insurance Institute of Canada. The retiring president, Mr. George F. Crum, C.I.U., was elected hon. president.

### POLICYHOLDERS' RELATIONS

J. McSweeney, manager of the London Life's Yonge Street industrial branch in Toronto, and one of the best known life insurance men in the Dominion, has recently been appointed by the company as Policyholders' Relations Officer. His office will be connected with the company's branch in the Sterling Tower in Toronto.

Mr. McSweeney joined the London Life in 1909 and has been a manager in Toronto for the last 27 years. He has had a distinguished career in life insurance and has made important contributions to the progress of the business through his work with the Life Underwriters Association. He has been Dominion president of the Life Underwriters Association; president of the Toronto Association; chairman of the association's executive committee; and member of the joint committee which represents the Life Underwriters Association and the Canadian Life Insurance Officers Association.

### INSURANCE INQUIRIES

Editor, Concerning Insurance:  
Please favor me with a report on the Badoise Fire Insurance Co., of Basle, Switzerland, head office for Canada at Montreal, P.Q. Are Canadian policyholders amply protected?

W. H. W., Vancouver, B.C.

Badoise Fire Insurance Company was incorporated in 1863, and has been doing business in Canada since 1922. It is regularly licensed in this country and has a deposit with the Government at Ottawa of \$133,000 for the protection of Canadian policyholders exclusively.

At the beginning of 1936 its total admitted assets in Canada were \$192,909.52, while its total liabilities here amounted to \$193,769.00, showing a surplus in this country of \$89,140.52. Canadian policyholders are amply protected, and all claims are readily collectable.

Its head office balance sheet shows total assets of 15,883,175 Swiss francs, exclusive of uncollected capital. The paid up capital of 4,000,000 Swiss francs is shown to be intact, and there is in addition a surplus of 2,150,000 Swiss francs over reserve for unexpired risks, reserve for outstanding losses, and all liabilities.

### Editor, Concerning Insurance:

I have been handed a policy of insurance on a house on which I hold a first mortgage by the second mortgagee in possession of said house. The policy is in The Railway Passengers Assurance Company. Is this a safe company?

The policy is made out as follows:

Name: Mrs. Mortgagee in possession



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FIRE ASSOCIATION**

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and  
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sion with loss payable to me (the first mortgagee). Is this quite all right for me as first mortgagee? The second mortgagee is in possession of the property and refuses to pay any principal on the mortgage now overdue, but is paying interest and taxes. Thanking you for your assistance in the past and trusting you will enlighten me as to above.

—O. A. L., Toronto.

As long as the policy contains the usual mortgage clause, your interest as first mortgagee is fully protected. The Railway Passengers Assurance Company is an old-established British company, which was organized in 1849 and which has been doing business in Canada since 1902. It is regularly licensed in this country, and has a deposit with the Government at Ottawa of \$565,000 for the protection of Canadian policyholders exclusively.

Its total assets in Canada at the beginning of 1936 were \$684,257.46, while its total liabilities here amounted to \$159,555.32, showing a surplus in this country of \$524,702.14. The company occupies a strong financial position, and all claims are readily collectable.

Editor, Concerning Insurance:

I am a subscriber to your paper, and I am therefore taking the liberty of asking you if you could give me any information as to the reasons why the General of Seattle and its subsidiaries have withdrawn from doing business in the Province of Ontario.

W. T. H., Calgary, Alta.

Existing conditions in the fire and casualty business in Ontario being regarded as unfavorable, the General of America has withdrawn from this field for the present, though it will continue to operate in the West, where it has developed a large and growing volume of acceptable business with satisfactory results.

This decision to curtail the extent of its field of operations in this country does not indicate any change in the financial position of the company, or any reduction in the security afforded Canadian policyholders. The General Insurance Company of America and its affiliates, the General Casualty Company of America, and the First National Insurance Company of America, are all in a sound financial condition and safe to insure with.

Their Canadian policyholders are fully protected, and all claims in this country are readily collectable. They have Government deposits at Ottawa for the protection of Canadian policyholders exclusively as follows: General of America, \$485,000; General Casualty of America, \$187,000; and First National of America, \$136,000.

Editor, Concerning Insurance:

I would appreciate your advising me whether you consider the Pilot Insurance Company a safe company to insure with for an automobile accident policy? How long has it been in business, and has it a government deposit?

G. D. J., Gananoque, Ont.

Pilot Insurance Company, with head office at Toronto, has been in business since April 20, 1927, and occupies a sound financial position. It operates under an Ontario charter

and license, and has a deposit with the Ontario Government of \$30,000 for the protection of policyholders. It is safe to insure with, and all claims against the company can be readily collected.

At the end of 1935 its total admitted assets, according to Government figures, were \$740,007.71, while its total liabilities except capital amounted to \$375,911.78, showing a surplus as regards policyholders of \$364,095.93. Comparing this amount with the amount of its unearned premium reserve liability, \$225,162.06, it will be seen that the company occupies a strong position in relation to the volume of business transacted. As the paid up capital amounted to \$270,000.00, there was a net surplus of \$94,095.93 over capital, unearned premium reserve and all liabilities.

Editor, Concerning Insurance:

In your issue of December 12th, there is an enquiry in the Insurance Column from one, "S.A.", Ottawa, Ontario, regarding companies writing plate glass insurance on a participating plan.

You reply that you know of no company doing plate glass business in Ontario on this plan. I should like to point out that the Northwest Casualty Company, owned and operated by the Northwestern Mutual Fire Association—with which you are no doubt familiar—writes participating plate glass policies at tariff rates, paying a dividend which, at the present time, is 15 per cent. of the premium.

I would appreciate it if you could inform your subscriber of this fact.

—R. L. M., Ottawa, Ont.

I am glad to receive and pass on this information. Northwest Casualty Company, with head office at Seattle, Wash., and Canadian head office at Vancouver, was incorporated in 1928 and has been doing business in Canada since 1930. It is regularly licensed in this country, and has a deposit with the Government at Ottawa of \$65,000 for the protection of Canadian policyholders exclusively.

Its total assets in Canada at the beginning of 1936 were \$83,582.35, while its total liabilities in this country amounted to \$31,702.71, showing a surplus here of \$51,879.64. Its total income in Canada in 1935 was \$28,863.52, and its total outgo, \$33,496.16, of which \$2,203.29 was for dividends or savings credited to policyholders.

Its head office financial statement showed total admitted assets at the end of 1935 of \$1,455,451.33; total liabilities except capital, \$337,752.55; surplus as regards policyholders, \$617,698.78; paid up capital, \$250,000.00; net surplus over capital and all liabilities, \$367,698.78. Comparing the amount of the surplus as regards policyholders, \$617,698.78, with the amount of the unearned premium reserve liability, \$486,672.50, it will be seen that the company occupies a strong financial position in relation to the volume of business transacted.

Its total income in 1935 was \$1,018,424, while its total disbursements amounted to \$833,525.09, of which \$23,752.50 was for dividends to policyholders. All claims are readily collectable, and the company is safe to insure with.

## MUNICIPALITIES AND RELIEF

(Continued from page 17)

restraining hand was held out by the Province to deter them from ignoring statutory obligations, nor is haste being displayed to repair defaults. The creditor has suffered—and in turn many of them have had to take relief from the city which borrowed his money, and which city seeks to enforce either abandonment of his claims as a creditor or reduce their amount.

Another current announcement bearing upon the question of responsibility of the local taxpayer in carrying the load incident to national distress comes from British Columbia. That Province's provincial treasurer intimates the intention of the government to restore to municipalities grants of about \$600,000 for certain social welfare obligations—relief of distress being the chief. These grants which had become customary, as well as statutory, were cut off presumably to aid the Province in its difficult financial situation at the time. Several of the municipalities, in order to carry on under this changed condition, simply omitted to pay interest due on their debts to their long term debenture holders. That is to say, the Province got over a difficult situation by neglecting its duty to its municipalities and adding to their embarrassment. The chief creditor of the municipality—the debenture holder—was made the goat. He remains so. Some consolation may be derived by him from the optimism of Hon. W. Hart who reports substantial improvement in material conditions in that Province, but it is to be hoped that there will be a corresponding improvement in respect for contractual obligations of municipalities. Mayor McGeer may do some good work there if he displays in his home city the same fervor as used when he uplifted one of his audiences in Toronto.

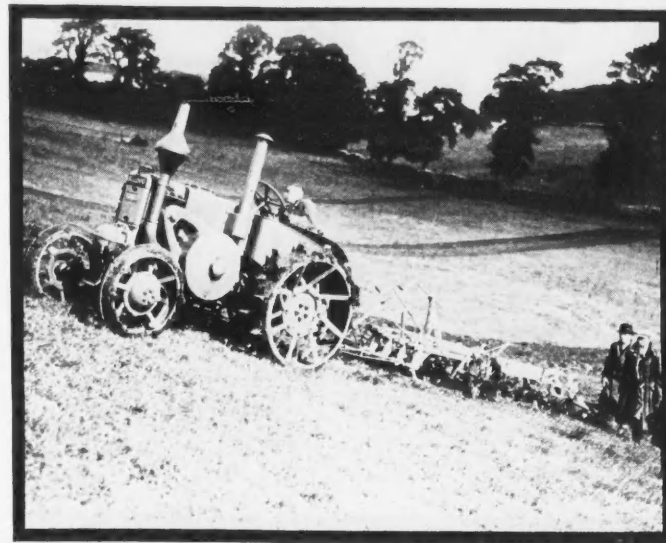
WHERE the Canadian citizen, able-bodied and in distress, is left to be cared for by other citizens who happen to become aware of his dire need—and these other citizens are the municipalities not organized to handle such a type of indigency, and with doubtful statutory authority to use municipal funds except those specifically levied and collected for the purpose—a very chaotic situation is created. In prosperous times the odd cases did not count, and native generosity, either municipal or private, took care of them as we have already stated. But recent years have given us an example of mass distress of able-bodied persons and it has disclosed a vulnerable point in our national social welfare machinery. Glamorous publicity is easily obtained by local parochial politicians, who under that spacious umbrella, humanity, find so many opportunities to curry favor from the mob and thus advance their own ends—whatever they may be. To them, the easiest

purse, not their own, available has been that of the municipality. This type of pseudo-paternalism, unbridledly urged, and in many cases has succeeded, in having put into effect the principle that no matter for what purpose the money in the municipal purse has been placed there it shall be used to aid the Canadian citizen who finds himself in distress.

Meanwhile, as the fervid aspirants for local distinction cause robbery of the municipal purse in the name of humanity, sovereign authorities remain content to leave with the most local and most subordinate, primary responsibility. The size of the tip, or tips, to be handed to the municipal James's is to be dependent upon what may be decided by the conference between heads of the several sovereign authorities in Canada. These authorities may not agree among themselves. The provincial may not be satisfied with what the Dominion authorities deem it proper to provide for tips to the municipal James. They will probably agree that James has got a rather unpleasant job on his hands but so long as he can get his taxpayers to come across for relief by mortgaging their property to pay a substantial levy, then the size of the tip should be big enough to be encouraging. James is not altogether unwilling to occupy this position as official tip-taker. As such (forgetting the inhibition against letting the right hand know what the left does) he can the more easily find occasion to range himself among the stars, most easily discerned, in the galaxy of self-sacrificing humanitarians.

WE WONDER how the many Jack and Jane Canucks economically disabled to the extent of dire personal distress would have fared if this junior servant of our Provinces municipal James had not taken care of them, able-bodied subjects of the Dominion. He gets a tip paid to him by his immediate superior, the Province, after the latter collects part of it from the Dominion. If Jack Canuck, in Canadian territory, not yet assigned to a Province, is found to be in physical peril the Dominion immediately at its own expense looks after him. Did Confederation ordain that when Provinces were set up such a duty devolved upon the Province? Did Jack become a subject of the Province? And when Provinces set up municipalities did Jack become a subject of them? To which of these authorities, sovereign or subordinate, ought Jack to look to, as a Canadian subject if he finds that lack of food or shelter, dire want—stands menacing his life?

An acquaintance of the writer's, reputed to be in receipt of a regular allowance provided by some one of the internationales, had a very definite remedy. Being a readily elected member of the council of a Canadian city, he "would take every cent collected as taxes and apply them on relief, except enough to pay wages. To hell with the



NEW TRACTOR. This is a Lanz Diesel tractor working with a fine furrow plough at a demonstration of modern farm equipment held at the Royal Agricultural College, Cirencester, England.

money lenders." In a mood—considerably modified—our municipal James's, with all their shortcomings, step into the breach—the benevolent, self-sacrificing lackeys for those superior authorities, who manifest consciousness of responsibility but whose action therefrom is of the tip character. Efforts of an organized kind are stultified by clamor and doubt as to the line fences of respective jurisdictions. From behind these fences they can stand off by tips—the assumption of full responsibility—a position that is likely to be maintained until the real

victim of it, the real estate taxpayer in municipalities, learns the knack of effective resistance.

One phase only of the chaos in the exercise of government functions in Canada is being referred to. Modern conditions, radically different from those of the days of the snake fence, have today to be dealt with. But the means of handling them are as ancient as that fence. Hence in this country of beauty, prodigious wealth and territory, a woeful trail of defaults, defect and political ineptitude is still being blazed.

## RE-EQUIPMENT OF INDUSTRY AND WHAT IT MEANS

(Continued from page 17)

particular device should happen to work, we will certainly find the pace accentuated.

TO WHAT extent is our productive equipment obsolete? That is a question so big that no one can answer it definitely. But we do know from the most casual study that there has been enough depreciation, and enough improvement in devices and methods, to warrant the scrapping of a considerable part of what we are now using. Therefore a potentially big business in new equipment faces us.

The railways are an example of special interest, because, through the pressure of competition from motor vehicles, it is recognized that they must become fitter if they are to survive. Terminal facilities have to be altered, but mainly the need is for new equipment—air conditioning and other attractions for passengers, and a more speedy and efficient service in the handling of freight. The railways in the United States have dug into their last reserves in this effort to compete and survive, and they have been aided by the federal government in this program. At least 200 locomotives and 100,000 cars have been involved in this new equipment program in the United States to date. The railways in Canada face the very same problem, but they have been slower to act, partly because government assistance has been not quite so lavish here as it has been in the United States. The \$15,000,000 of new equipment ordered a year ago, involving about 15 locomotives and some 2,000 cars, is a mere bagatelle compared with the real need if our railways are to be efficient. Where the money is coming from of course is another matter. The \$50,000,000 of further business which is understood to be in process of being placed now, is a more important item, but still only part of the total required.

Farm implements is another major line for which there is an enormous potential demand, a little of which is

already trickling through to the factories as a result of the improvement which is taking place in farmers' purchasing power. In the decade from 1920 to 1929, Canadian farmers bought equipment averaging \$40,000,000 a year at factory values. In the six years from 1930 to 1935, inclusive, they averaged only \$14,000,000 a year. Buying in the earlier period may have been over-done, but it is likely that at least \$25,000,000 a year is the normal requirement in Canada. That means a current shortage of possibly \$120 millions, at factory values, in farm machinery in Canada. Such replacement, along with the regular annual demand, would keep our farm implement factories at top speed for several years. And to make this demand effective, it is only necessary for wheat to hold at over \$1 per bushel, where it is now, and for other farm products to bring proportionate prices, which many of them are now doing.

Home equipment, as already mentioned, is already providing a stimulus to business. Even furniture and carpets, which possibly have been neglected in favor of the new electrical devices, have nevertheless improved a great deal over their volume in the worst years of the depression. This is for improvement of existing homes, in the main. A much greater volume is hoped for, if and when new building gets under way.

The automobile industry was one of the first to recover, more than doubling its output from 1933 to 1935. Just now some of the other lines are catching up to it, but there is still a large potential demand for cars. The Ford Motor Company of Canada, Ltd., has sufficient confidence in the immediate future to add several millions to its plant investment at Windsor.

A small increase in demand for things for daily consumption, such as newsprint, food products, and clothing, makes a considerable difference in factory schedules, and when to this is added a demand for new equipment or durable goods, which also involve manufacturing operations, the whole scale of industrial activity expands. Every railway coach means business for some steel plant, textile works and paint factory, in addition to the concern actually assembling the coach. The stimulus has already been sufficient to tax capacity in some lines, to bring a complete overhauling with a view to securing the maximum output and efficiency from the present equipment, and to bring purchases of new equipment and even plant extensions into consideration.

THAT briefly summarizes the outlook for business—not mere possibilities, but a definite situation which is more and more making itself felt in current business volume. The Steel Company of Canada, with its \$18,000,000 of working capital, has been able to reinvest millions in maintenance and improvements during the lean years, but there are relatively few in that fortunate position. Most companies, and most households, were obliged to cut down. Now the need is keenly felt, and awaits only the further accumulation of buying power to become an actual market demand. So far as the public is concerned, this buying power is growing at a fairly good rate. In respect to industries, however, there is a financial side to the picture. Funds will not accumulate rapidly enough out of earnings to meet the situation. Some concerns, in fact, require the equipment in order to realize the earnings. "The production of capital goods is largely dependent on new financing by corporations," says The Cleveland Trust Company's bulletin, in a reference to this point. "The volume of new financing depends on the degree of willingness that business leaders may have to assume new risks in the hope of making greater profits. It depends on long-range confidence in the future, and the continuing development of this recovery depends on the rate at which that kind of confidence increases."

To warrant this investment of capital, there must be reasonable prospect of profits, and assurance that most of these profits will accrue to the benefit of the investors. Incidentally, in the potential demand which now exists, and in the supply of capital awaiting investment, lies the answer to communism. The goal of employment for all who want it can be reached under capitalism just as well as under socialism, and whether the latter offers a mere existence, the former has an established record of advance in the standard of living, which record it should be able to continue into the future.

Re-equipment has other features of financial significance. If the old machines can no longer compete, then they are obsolete. Well managed concerns have them not only paid for long ago, but also written off their books,

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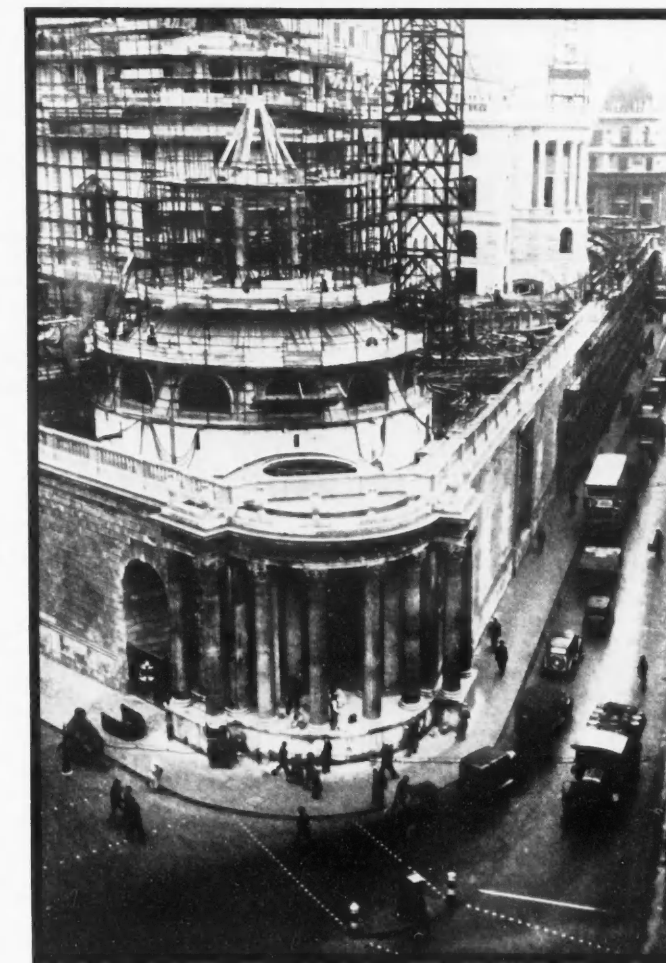
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UNUSUAL GIFT. Recently the Lord Mayor of London received on behalf of the City a gift from the Bank of England consisting of a strip of pavement at what is known as "Tivoli Corner", the junction between Prince's Street and Lothbury. The iron railings shown in the photograph have been removed and a footway now passes behind the beautiful columns. The photograph also shows a stage in the progress of building the new Bank of England.

manufacturing operations, the whole scale of industrial activity expands. Every railway coach means business for some steel plant, textile works and paint factory, in addition to the concern actually assembling the coach. The stimulus has already been sufficient to tax capacity in some lines, to bring a complete overhauling with a view to securing the maximum output and efficiency from the present equipment, and to bring purchases of new equipment and even plant extensions into consideration.

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Re-equipment has other features of financial significance. If the old machines can no longer compete, then they are obsolete. Well managed concerns have them not only paid for long ago, but also written off their books,

so that the money which for some time was tied up in them, is again held in cash, and therefore available for replacement buying without further borrowing. Others less fortunate have to write down part of their old capitalization, and the numerous financial reorganizations of late years have cleared the way for fresh bond or stock issues to create new earnings. Of institutions like the government railway system, which instead of paying for its old equipment out of earnings, have added deficits to their debt so that there is now more owing than ever before, the less said the better.

Is the new equipment likely to bring another period of over-capacity and over-production? Perhaps it will, ultimately, but meanwhile we can have years of success if we go about it the right way. We must recognize from the start that if the savings from inventions and improved efficiency are to be all absorbed in new taxes and production costs, then volume of business simply will not rise enough to keep pace with the new schedule. Most of the comforts and luxuries can now be produced cheaper than ever before, and at the same time the demand for them is elastic; that is, it will expand if the price is attractive. The automobile is a prominent example of successive new peaks in volume of sales, and also in amount of employment, being attained by the continuous process of lowering prices or increasing values. A prominent baking company seeking a basis for sound expansion in highly competitive markets, adopts continuous process equipment so that the utmost in quality may be attained at the lowest cost, because its products are likewise capable of expansion in sales. A score of other improvements in a wide range of industries are awaiting commercial application in this program of better and bigger business. To attain it, we need only the assurance that the consumer's dollar, instead of being loaded down by taxation and other artificial costs, will be permitted to stretch over more purchases.

This period of re-equipment, into which we are now launched, should be one of the most interesting stages in the progress of Canada, and also a source of benefit to those having a part in it. If our total wealth of approximately \$20 billions is absorbed to the extent of even 10 per cent. (which would be a conservative estimate) then we have three billions of new equipment to provide. Instead of the extreme depression in the equipment trades which has existed in recent years, we should have unusual activity, because there is a shortage to make up, as well as the normal year-to-year requirement. This condition is already being felt in factory, office and domestic equipment. It should come later in the fields of building, highways and power developments.



# IS SWEDEN GOING SOCIALIST?

## Co-operatives Now Serving as Checkrein on Private Business, But Backers Ask "What's to Stop Them?"

BY FRED C. KELLY IN BARRON'S

In an early issue of SATURDAY NIGHT we are going to hear about Sweden and its co-operatives from Mr. Willson Woodside, who has written so many informative articles for this paper on social, political and economic conditions in Europe, based on his frequent visits there. The following article is reproduced from Barron's Weekly, of Boston, because of the wide interest in this subject, which is understood to be currently receiving much attention in official Washington.

CO-OPERATIVE societies in Sweden, for the purpose of reducing prices to consumers, may be said to have started with a barrel of herring in an old woodshed. This was in the lumber region, a little after the middle of the last century. A few employees got together for the purpose of avoiding high prices of foodstuffs at a company store.

The idea began to spread. Consumers used as their model the general plan first tried at Rochdale, England, nearly one hundred years ago. Even today in Sweden the Rochdale plan in a general way is still followed. Each member of a consumer society ordinarily pays a fee of about \$25, on which he draws a small rate of interest, and he receives a bonus at the end of the year—averaging about 3 per cent.—based on the amount of his annual purchases. There is no chance for a small group to gain control of a co-operatively started enterprise for personal gain, since no one is allowed to own more than one share, and, regardless of the amount anybody buys, one vote counts the same as another. At first the aim was to drive prices down to what was considered a decent level and then maintain them there, but more recently there seems to be an increased effort to make a gradual continued reduction of prices wherever possible.

Today the number of Swedish consumer societies exceeds 700, representing about 550,000 households, or about one-third of the population. They have 4,000 shops. The average number of members in each society is fairly small. According to a tabulation made a year or two ago, about 10 per cent. of all the societies had less than 200 members, 30 per cent. had between 200 and 500, and 60 per cent. had more than 500 members. The Stockholm group naturally has the largest membership, with 77,500 members and 1,200 shops. The societies are not all doing equally well, but they have generally shown a downward trend.

Though the Swedish societies were fairly successful from the beginning, it was not until 1896 that they had become important enough to require the formation of a joint central organization. When this was organized, the central organization, the Co-operative Union (Kooperativa Förbundet) and only 10,000 members and 1,000 shops. Today it is not only a great central authority and administrative bureau, but it is the backbone of the co-operative movement and also exercises a kind of central control over prices in Sweden. A co-operative and merchant union, the Svenska Handel och Industri, was formed in 1904. It is the central organization of the co-operative movement, and it is the only one in the world that has a central organization of co-operatives.

At present, the co-operative movement in Sweden is in a position to be a powerful force in the world.

Moreover, the Co-operative Union has a long record of successful work, including a successful campaign to reduce prices of foodstuffs, and a successful campaign to reduce prices of clothing and other goods.

The union has a weekly paper which has the largest circulation in Sweden. Here it may be pointed out that the Swedish co-operative movement has been successful in a number of ways. It has been successful in reducing prices of foodstuffs, and in reducing prices of clothing and other goods.

Part of the success of the Swedish co-operative movement may be due to its plan of making one problem at a time. When they observe prices for a commodity higher than seems to be justified, they take steps to bring those prices down. It is not necessary to drive private manufacturers out of business.

COMPETITION to an enterprise which is not profitable has proved to be a strong force in the world. The co-operatives have been successful in reducing prices of foodstuffs, and in reducing prices of clothing and other goods. A good example is what happened in the case of herring. This is an important item in Swedish diet, and it is one of the most expensive. The co-operative movement has been successful in reducing prices of herring, and in reducing prices of other foodstuffs.

At first the Co-operative Union had no intention of doing more than buy and sell commodities without any intention of making a profit. As time went on, however, the co-operative movement began to take on a more important role. It began to take on a more important role in the economy of Sweden. It began to take on a more important role in the economy of Sweden.

Next, the union bought a small margarine factory not connected with the manufacturers' association. Immediately the other manufacturers reduced prices; not a big reduction, but enough to make a total saving to consumers of 600,000 kronor a year. Further reductions soon followed. The idea of entering the boycott attack on the two largest manufacturers, rather than against all members of the cartel, proved to be a clever tactic. These two largest manufacturers could not sell even the amount of margarine they were allowed under the cartel quota, but certain other members could sell more than their allowance. They were not supposed to sell more than an agreed quota, under penalty of fines. This situation led to dissension within the manufacturers' association, and actually broke up the cartel. Various manufacturers began a price war which, of course, greatly benefited consumers. Today the Co-operative Union has a much larger margarine factory than in the beginning. Private manufacturers are still in an association, but there is no longer any thought of maintaining a monopoly, and prices are relatively low.

Having waged a successful fight on the margarine monopoly, the Co-operative Union tackled, a few years later, the flour trust, which had long been successful in keeping down prices paid to farmers for raw material and obtaining high prices from consumers. Dividends of from 20 per cent. to 23 per cent. had been common. The Co-operative Union bought a flour mill, re-equipped and enlarged it. A little later it bought another. Competition by these mills played an important part in forcing a drastic reduction in flour prices.

SWEDEN is certain to tell visitors about what happened to the rubber overcoat monopoly, the alcohol trust. Four factories had long maintained their monopoly. On a total investment of less than \$1 million, they sometimes made nearly that much profit in a single year. Besides stock dividends, they made \$125 million within 14 years. Because of the long Swedish winters, alcohol is an important item to the people and, in 1926, the Co-operative Union decided to go into the alcohol business. Just on the bare declaration of war, before any actual move had been made by the union, the monopolists reduced prices for men's alcohol by more than 50 cents a pair. The union then said that was a good start, but only a start, and went ahead with plans to buy and remodel a factory. The result is that prices of alcohol have gradually dropped more than 60 per cent. Meanwhile the union began making automobile tires in its alcohol factory.

Electric light bulbs were another monopoly that aroused the fighting strength of the Co-operative Union. Anders Holberg, a leader in the co-operative movement, in a study of the bulb trust, discovered that prices were evidently set not according to costs but according to what consumers could

be forced to pay. A 25-watt lamp cost 37 cents in Sweden, while the identical bulb was selling for 30 cents in Holland and Germany, 27 cents in Denmark, 18 cents in Hungary, and 52 cents in England. As Sweden was using 12 million lamps a year at that time (1928), a reduction of only 12 cents a lamp would mean a total saving to consumers of nearly \$15 million a year. The union determined to start a factory of its own. To this threat representatives of the trust countered: "If you start a factory, we might sell so low in Sweden that you can't possibly make a penny on your investment."

To which Holberg replied, in substance: "That would be well! If we can force prices that low without even operating the factory, whatever it costs, will be a grand investment. We are not interested in profits, but in low prices."

The factory of the Co-operative Union is still in successful operation, and its lamps are guaranteed to burn 1,500 hours. Before the factory was completed the price of bulbs had dropped to 27 cents, from 37 cents. It is now about 17 cents. Privately-owned factories continue to sell more lamps than the Co-operative plant, but co-operative competition determines the price.

One might tell a similar story of what happened in the shoe industry.

VISITORS to Sweden are naturally curious about the final outcome. Just how far will the co-operative movement go, and what is the goal?

There is a difference of opinion about that, even among enthusiastic members of the co-operatives. I was told more than once:

"The idea is to have just enough co-operative competition to keep private enterprise within reasonable bounds. Private business, properly controlled, is a highly desirable defense against too much bureaucracy."

But, especially among the younger administrators in the consumer-owned enterprises, I found a strong feeling that co-operatives will encroach more and more on private business. "What's to stop it?" they ask. "It stands to reason that business not for profit—maintaining only enough reserves for emergency and gradual expansion—can undersell a business operated for the purpose of making money. When the co-operatives take most of the business of the country, the situation will be about the same as if the enterprises they carry on were socialized by the State."

"Then why," I asked, "don't you just socialize everything and be done with it?"

"Ah," I was told, "that would alarm the opposition if we tried to do it all at once. We must move as fast as we can, but not so fast as to arouse bitter fighting by those whose toes would be stepped on. Moreover, by moving slowly, the impetus for co-operatives is always from the bottom upward—never from the administrative top downward."

Already there is plenty of organized opposition. This does not come from stockholders in private enterprises so much as from small storekeepers. The fact is that the Swedes are not great investors in stocks. They are not a



A CO-OPERATIVE GROCERY IN SWEDEN. The "Konsum" stores of the Swedish Consumers' Co-operative are as smart and modern as any in the world.

thrifty people, but are inclined to spend their money for better living and depend on insurance and old-age pensions to take care of a rainy day. Storekeepers who face competition by consumer-owned shops are most concerned about the growth of co-operatives. The owner of the biggest department store in Stockholm is probably the spearhead for this kind of opposition.

THE co-operatives' answer is that if there were no consumer-owned stores, the private owners would be doomed anyhow by growth of chain stores—that, in fact, their best chance in future is to become managers and administrators in co-operative enterprises.

Since trade unions are strong in

Sweden I was curious to know what the working people—who make up the great rank and file of membership in the co-operatives—think about working conditions in co-operatively-owned factories.

"Wages are usually a little better," one labor leader told me, "and general conditions which make for employees' comfort are also better. But even if all else were equal, I would rather work in a co-operative plant because I would feel that I am working, in a way, for myself, with a voice in determining what the conditions there shall be."

"But what about strikes?" I asked. "Would there be any point to striking against an enterprise in which you are a part owner? Isn't it true that if you strike and raise wages too high, then

you couldn't undersell privately owned competing factories?"

"Many do feel," he said, "that there is no need of unions in co-operative factories. But our answer is that if everybody doesn't pull together to keep wages up, then there would be less buying power by all the people who work and consequently less goods bought, with the result that the co-operative factories would have to pay lower wages. In other words, we are interested in raising the general level of wages in all factories, privately or co-operatively owned."

"And the final outcome?"

"We are building socialism here," he said, with a smile. "But it is like building a new railway station. We want to build it without stopping traffic."

# PROBLEMS OF THE COMING BOOM

## Government Could Offset Tendency to Increase Prices by Lowering Tariff to Admit More Foreign Goods

BY WALTER LIPPMANN

AFTER seven years of worry it is not easy to realize fully that our problem today is how to regulate the coming boom. Yet the signs are clear that we are rapidly approaching the time when there will be a shortage of labor and of capital equipment.

In the United States it looks very much as if the steel industry, for example, were already working at very nearly full capacity of its efficient plants. Yet the building industry is only in the early stages of revival, and as Commissioner Post pointed out the other day, a great shortage of houses is beginning to develop. The railroads, who are tremendous potential purchasers, must soon come into the market for locomotives, freight cars and rails. For their equipment is almost certainly too obsolete and inefficient to handle the traffic of prosperity. The utilities are due for a great expansion. But

the demand for skilled labor is beginning to be greater than the supply, and the capacity of basic industries like steel is about to be strained.

That means a boom. For there is a boom when effective purchasing power outruns the productive capacity of capital and labor. Then prices and wages begin to rise together, speculation runs ahead of real investment, and a vicious inflationary spiral is set in motion.

Though things have not yet reached the boom stage, we are now so near it that if the coming boom is to be regulated, not much time must be lost in adopting the necessary measures. We are in a position much like that of 1926. By taking the necessary measures we may hope for a sustained prosperity over many years. By failing to take them we shall bring on a boom and another collapse.

The measures have to be taken by the government, by business executives, and by labor leaders. Some of the measures are clear enough. Others are debatable and need to be discussed thoroughly. For the management of the business cycle is not an exact science but a rather new and uncertain art. The depression which began in 1929 was the first depression ever dealt with by the deliberate policy of the American government, and the prosperity of 1936 will be the first which men will attempt to sustain by deliberate policy.

THE basic measures are for the Administration to take, and their object must be to check the further inflation of purchasing power which results from the sale of government bonds to the banks. In other words, the government should stop borrowing and should bring its budget into balance by using up its huge cash funds and its recovered assets. It is not important that the budget should balance immediately in a bookkeeping sense. But it is important that the deficit should not continue to be financed by having the banks create new money.

This necessity is, I believe, well understood by the responsible authorities in Washington. The very men who saw the need of inflating in 1933 are now equally clear that we have all the monetary inflation, perhaps more of it, than is desirable. It follows from this that government expenditures for public works and

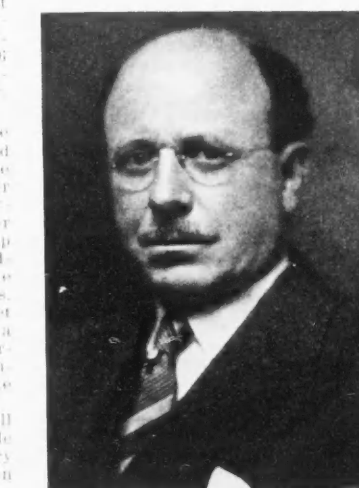
relief will have to be reduced except in so far as they do not call for new borrowing from the banks.

The same line of reasoning accounts for the concern shown recently in Washington about the flow of foreign funds into Wall Street. That foreign money, which has been such a very good stimulant since 1934, tends now to be an excessive stimulant. It multiplies bank deposits which may already be too large and makes more difficult the control of the volume of money in the United States.

However, we may assume that a determination to control the inflationary forces of money exists in Washington, and we must hope that technical knowledge and legal powers are equal to the task. The Federal Reserve Board and the Treasury have much more power and probably more knowledge than they had in the Coolidge era.

THE question then is whether business, especially large corporate business, knows and is prepared to follow policies which are appropriate to sustaining a period of high prosperity. Profits will be large with money as cheap as it is, and one of the great questions will be whether corporate business will distribute those profits widely to the people by resisting the temptation to increase prices. For in the long run it will do corporate business no good to pile up great financial surpluses out of profits. It will be far sounder business policy to follow the advice so carefully worked out by the Brookings Institution, and to reduce prices.

It is an interesting question whether this policy could not be assisted by the government if it began to lower the tariff on goods the prices of which were rising, and to enforce the anti-trust laws where monopolistic price fixing shows its head. The tariff is probably one of the surest methods of counteracting the dangers of the boom. For, as shortages develop in various industries, it may be better to admit foreign imports than to over-expand plant for a demand that may not



V. R. SMITH, M.A., A.L.A., A.A.S., F.A.I.A., General Manager of the Confederation Life, who has been appointed a Director of the Association.

## BUSINESS AND MARKET FORECAST

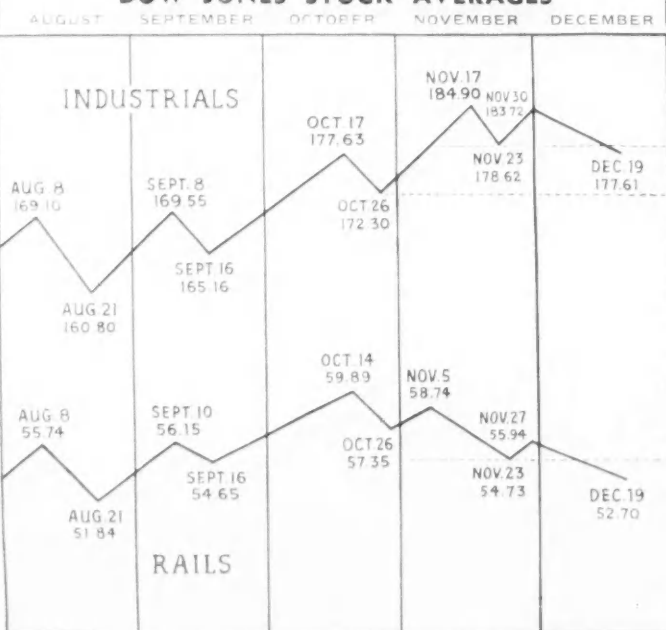
(Continued from Page 17)

TEST OF THE OCTOBER 24 LOW POINT OF 172.30 WILL BE MADE. THE RAILS, BE IT NOTED, HAVE ALREADY DEFINITELY AND DECISIVELY BROKEN THROUGH OCTOBER 24 LOW POINT. A BREAK THROUGH 172.30 BY THE INDUSTRIALS WOULD JUSTIFY THE EXPECTATION OF A DOWN-TURN OF INDETERMINATE LENGTH AND MAGNITUDE.

MARKET POSITION. So far as this column is aware, this was the only Canadian service that explicitly advised investors and speculators to sell stocks at the moment when such sales would have yielded them the greatest profit. Investors who liquidated as suggested should have about 20% of their funds in bonds, 25% in stocks and 55% in cash. Now we advise investors with new funds available should hold cash. Speculators operating on margin should hold 100% of their funds in cash.

BUSINESS COMMENTS.—Readers who follow this forecast for guidance in business should remember that all bull markets are subject to interruptions that sometimes run into secondary reactions of considerable magnitude. These periods bring a pause in the rate at which industry is making progress in this or that division. Prices, for instance, get out of alignment and the slowing-down permits the restoration of a balanced or more normal relationship, at least as much as ever exists at any time. There is yet available a huge reservoir of cheap credit and at the same time an enormous and unsatisfied demand for consumer commodities and capital or durable goods. We also have a long way to go on the road of adjusting our present price to the 50-cent dollar. This latter adjustment will accelerate inventory profits as prices rise. I have distinct misgivings on what is going to happen when the consumers on this continent, and that means all of us, feel the ultimate and final impact of this change. More about this in future forecasts.

## DOW JONES STOCK AVERAGES

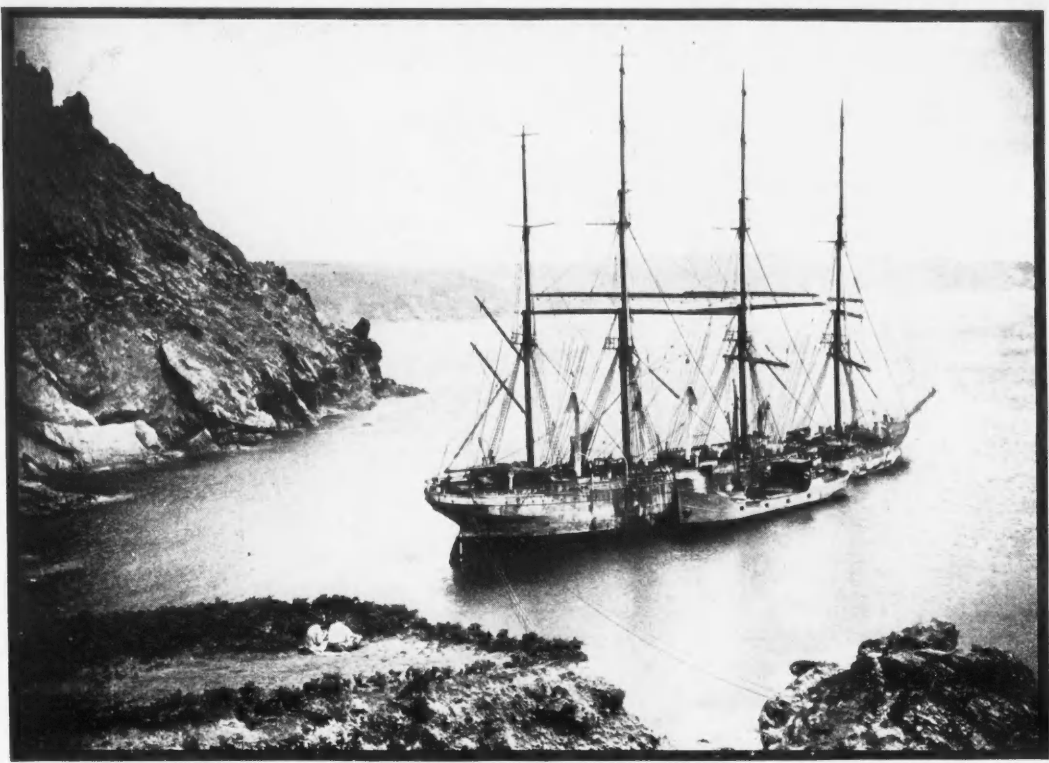


## UNLISTED QUOTATIONS

(Supplied by A. J. Pattison, Jr. & Co., Limited, Toronto, December 21)

INDUSTRIAL	18d	Asked
Aetna Sugar Corp. ....	5.15	5.45
Acme Farmers Dairy .....	42.50	
5% Pfd. "A" .....	42.50	
Assoc. Tel. & Tel. ....	51.00	53.00
6.00 Pfd. ....	51.00	53.00
B.C. Pulp & Paper 7% Pfd. ....	22.00	
Burns & Co. Ltd. "A" .....	19.00	12.00
Burns & Co. Ltd. "B" .....	6.50	
Canada & Dom. Sugar .....	67.25	68.25
Can. Tube & Steel 1st. Pfd. ....	72.50	
Can. Tube & Steel 2nd. Pfd. ....	17.50	20.00
Can. Wire & Cable 6 1/2% Pfd. ....	118.00	121.00
Can. Industries 7 1/2% Pfd. ....	22.00	25.00
Can. Industries 7 1/2% Pfd. ....	165.00	167.00
Can. Ingersoll Rand .....	128.50	132.00
Can. Westinghouse 1 1/2% Pfd. ....	98.00	102.00
Dom. Found. & Steel 6 1/2% Pfd. ....	98.00	102.00
Dom. Rubber 7 1/2% Pfd. ....	98.00	102.00
Federal Grain Corp. ....	2.50	4.00
Federal Grain 6 1/2% Pfd. ....	45.00	48.00
Hayes Steel Prod. Corp. ....	5.50	
Inter. Met. Indust. "A" .....	82.00	86.00
6% Pfd. ....	82.00	86.00
Macdonald Power & Pulp .....	31.00	32.00
Com. ....	194.50	196.50
Provincial Paper 7 1/2% Pfd. ....	9.00	10.00
Reliance Grain Common .....	96.00	98.00
Reliance Grain 6 1/2% Pfd. ....	96.00	98.00
Robinson Consol. Com. ....	9.00	10.00
(Div. 100) .....	27.25	28.00
Superior Petroleum Corp. ....	10.00	
6% Pfd. ....	27.25	28.00
Western Grain 6 1/2% Pfd. ....	10.00	
INSURANCE STOCKS		
Canada Life Assce. ....	539.00	545.00
Canadian Fire Ins. ....	75.00	
Confederation Life 20% Pfd. ....	112.00	115.00
Continental Life 20% Pfd. ....	38.00	41.00
Crown Life Ins. 100% Pfd. ....	150.00	
Dom. Life 50% Pfd. ....	260.00	260.00
Empire Life 25% Pfd. ....	72.50	8.00
Great West Life Assce. ....	360.00	375.00
Halifax Fire Ins. ....	21.50	22.50
Manufacturers Life Ins. ....	24.00	25.00
Monarch Life 10% Pfd. ....	29.00	31.75
Overseas Life 25% Pfd. ....	15.00	
INVESTMENT TRUST SHARES		
Can. Gen. Invest. Ltd. ....	10.65	11.00
(Div. 200) .....	10.65	11.00
Can. Inv. Trust Units 100.00		
Can. Investors Corp. ....	9.50	10.15
(Div. 400) .....	18.50	19.50
Units .....	18.50	19.50
Corporate Investors .....	44.50	48.00
Dom. Scottish Invest. Units .....	66.00	68.25
Investment Foundation Units .....	24.00	25.50
Sec. Holding Corp. Units .....	2.00	
Third Can. Gen. Invest. Trust .....	2.00	
United Corp. Ltd. "A" .....	26.75	27.50
United Corp. Ltd. "B" .....	18.75	19.50





**FAMOUS WINDJAMMER PASSES.** The Herzogin Cecilie, which ran on the treacherous rocks of South Devon, England, some months ago, has since been found to be so badly damaged that she will not sail the seas again. Her passing will be greatly regretted by all lovers of the sea and ships. She is seen lying in Stair Hole Bay, near Salcombe.

## WHAT IS ECONOMIC PROGRESS?

### Why No Government Can Guarantee Economic Security

### Man's Only Security Lies in His Ability to Create

(From the Girard Letter, published by the Girard Trust Company, Philadelphia)

THE struggle against starvation and want is as old as the race itself. In primitive society the road to economic progress was clearly apparent. There was an obvious identity between a man's willingness to work and his ability to consume. The mass of the people were only fairly industrious and not particularly efficient and the standard of living was pitifully low.

Gradually civilization passed into the second stage of its economic evolution as the more ambitious individuals or groups brought pressure to bear upon the masses and forced them to work. Free labor at the whim of the worker gave way to various types of slavery, serfdom and feudal control, and consuming power was increased by somewhat enlarged production.

Then as the feudal system of the medieval period, with its restrictions upon man's economic liberty and his subservience to the limitations of his class, gave way to capitalism, economic compulsions gradually disappeared, losing their last hold in this country with the abolition of slavery three-quarters of a century ago. Gradually, during the period since the middle ages, production has come to be motivated by the anticipation of tempting rewards rather than by the overseer's whip. Man's creative ability was thus given free play, encouraged by the opportunity for profit and stimulated by free competition. The shift into this third phase of economic evolution was attended with enormous material gains—gains so great that by comparison the standards of living of a few centuries ago seem almost barbaric.

Yet despite the rapid and undoubted achievements of the modern economic system there are many and frequent complaints as to the manner in which it functions. There are those who proclaim long and lustily that the system has failed, basing their indictment upon unemployment, upon the unequal division of wealth and upon the paradox of want in the midst of plenty. It is their tendency to judge the system not by what has been accomplished but by what has not yet been accomplished. In their impatience they apparently fail to recognize that while the present economic order in the United States has not brought Utopia, it has created more wealth and distributed its benefits more widely than has any other system in any other country in this or any other age.

Can the system be said to have failed utterly when under it per capita wealth in this country was increased almost ten fold in less than three-quarters of a century? And not only has the long run trend of money wages been steadily upward until today they are approximately five times as high as in 1850, but what is even more important—because the level of prices has increased only moderately over that period, real wages (money wages in terms of what they will buy) are now over four times as high as they were in the middle of the last century. In 1934, over sixty-six per cent. of the national income went to wage earners and salaried workers, and eighty-five per cent. of it went to people whose net incomes were less than \$5,000 a year.

Such a record is scarcely to be called an indication of economic retrogression. Our efforts under the present system have been far from fruitless. Why, given the will and permission to work and the determination to succeed, should we not look forward to a much greater utilization of our productive resources and the attainment of a much higher level of material well-being for the whole population?

**ADMITTEDLY** the economic problem is far from completely solved. Possibly, it never will be. Human knowledge is limited, and to the idealist human institutions seem slow to improve. Yet we should hesitate to discard modern science because it has not discovered all there is to know about the universe in which we live, or our system of law because it does not always mete out perfect justice. The direction in which we are moving, whether it be toward perfection or

decadence, that must be our first concern.

The economic waters have been so troubled of recent years that it is little wonder those who are more easily discouraged are ready to give up the ship. Some think that we never again can hope to have adequate opportunity for the full employment of available labor power, and that here in the United States where we pride ourselves upon our pioneer spirit, Yankee ingenuity, industry, ability and widespread thrift, we must resign ourselves to having *permanently* some six, eight or perhaps ten million idle to be taken care of through some system of poor relief or dole! Dr. Townsend wants idleness for all over sixty on two-hundred-dollar-a-month government cheques! Labor clamors for shorter hours and fewer labor-saving devices to make jobs go around! Industry tries to limit competition and stabilize prices, while agriculture joins the ranks with enforced acreage reduction and crop control! The needle of our economic compass spins around so rapidly that we become confused and lose all sense of direction.

What is the basis of this new economic philosophy under which all the rules of the game seem to have been changed? Have we already produced more than we want or ever shall want—more than men are willing to work for? Or can we have more and more by producing less and less until we live like kings on nothing?

On the average about eighty per cent. of the productive capacity of our industrial plant and equipment was being utilized in 1929. Only twenty per cent. remained unused, according to careful estimates made by the Brookings Institution of Washington. To give every family in the nation a "reasonable standard of living" seventy-five per cent. more goods and services would have to be produced than were produced in 1929! Why then should we accept the theory that technology has given us productive power beyond our wants, and such an abundance of goods and services as to make appropriate the curtailment of output and enforced leisure?

**IN VIEW** of the fact that in the period of our greatest productivity the output of goods and services was not large enough to provide a great mass of the people with the minimum requirements for health and efficiency, it would seem to be apparent that the primary need is not for a smaller aggregate output but for a larger one. What is needed is not restriction, but a more effective utilization of our productive capacity and its steady expansion to the end that all classes of people may attain progressively higher living standards.

Because income is received in the form of money, it is easy to become confused into thinking that economic progress is measured by the rate of increase in wages, salaries, interest and profits. It is this confusion which leads to the urge for government subsidies for reduced production, pensions for the aged provided they cease working, and similar current proposals for expanding purchasing power. Attention becomes focused upon the increased money incomes which thus flow into trade, while overlooking the less obvious but more significant fact that the quantity of goods and services coming onto the market would be reduced by the very measures which lead to the increased money incomes. Regardless of the quantity of money coming into the market, in the final analysis, the standards of consumption are governed by the volume of goods and services produced and offered for sale.

The only formula for providing lasting prosperity is, with the aid of science, to produce the largest possible amount of goods and services with the least amount of human labor, accomplishing each lowering of the cost of production with a decrease in selling price. With money incomes unchanged, real incomes would steadily increase until the additional volume of goods and services called for would employ all who need employment.

Machinery which increases the efficiency, reduces the cost and in-

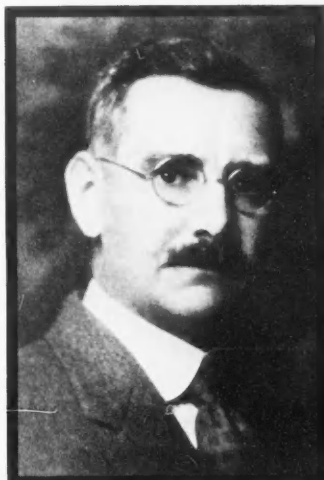
creases the output of industry should be regarded not as the enemy but the hope of the laborer. In combination with it his labor is made more productive, more valuable—and in the long run that can only redound to his benefit.

Through the multiplication of goods available and the reduction of their cost, the real incomes of laborers as well as the rest of the consuming public are raised. During the fifty years between 1880 and 1930, when labor-saving devices of all kinds were being introduced with great rapidity, the percentage of our population gainfully employed did not decline, but actually increased from slightly less than thirty-five per cent. in 1880 to approximately forty per cent. in 1930. The long term trend of employment is upward despite the temporary decline since 1930.

**ON THE** other hand, it is the responsibility of industry to see that the gains resulting from increased efficiency are passed on to the consumer through the medium of price reductions. Then the expanding purchasing power required to take the increased quantity of goods off the market is *automatically* created.

Business is constantly intent upon increasing efficiency, for, under the competitive profit system, when any business man, through increased efficiency, is able to reduce his costs of production per unit of output, he is in a position to increase his profits—either by selling at the same price with a wider margin between cost and selling price, or by expanding the volume of business by reducing his prices. If he chooses the former course he can maintain his position only by protecting himself against the competitors who normally would be attracted into so profitable a business. He must seek to limit competition, prevent expansion of the industry, protect himself behind tariff walls or subsidies, lest an increased quantity on the market should break down the artificial stability of his price.

If, however, he chooses to expand his business by passing on to the consumer the benefit of his increased efficiency in the form of a lower price, he maximizes his profits by giving the consumers the most for their money and his interests coincide with the general welfare. Also, instead of occupying a static position in which his profits are fairly stable so long as competition is restrained, but are not easily expanded, he is on the road to increasing profits which come with each widening of his market. Competition, rather than being feared, is the life blood of his business.



**C.N.R. APPOINTMENTS.** Two important appointments have been announced by S. J. Hungerford, Chairman and President, Canadian National Railways. E. P. Mallory (left), formerly Assistant to the President, is promoted to Executive Assistant, while Maynard A. Metcalf (right), formerly Secretary, is now made Assistant to the President. Both Mr. Mallory and Mr. Metcalf are known throughout Canada in railway circles and both, at one time, had their headquarters in Toronto. Mr. Metcalf was born in Toronto and was identified with the old Canadian Northern and subsequently the Canadian National, in Toronto in various capacities until he was moved to Montreal upon the amalgamation with the Grand Trunk System.

Under the pressure of free competition not only are goods and services made more abundant and more widely available, but obsolete, inefficient, high-cost producers are eliminated. Fierce competition is a means of price fixing—which is not only the refuge of the incapable but also a stone wall across the path of progress.

Doubtless much that is called competition is unworthy of the name. Cut-throat practices where prices are reduced at the expense of quality, where price-cuts precede rather than follow reductions in costs and the latter are effected at the expense of labor, where lowered prices are sustained through unethical practices—these and other practices of the same nature might better be called racketeering. Of course we want the wastes of such bad practices abolished. We want stable business conditions to the extent that stability is consistent with efficiency, but not the stability of a static economy—its cost is too great in terms of human welfare. The price of the inefficiency which feeds on restraints, controls and restrictions is unemployment, poverty and waste.

**TODAY** the land is rife with oratory, and strangely alluring doctrines fill the air—dreams of wealth without work, security without savings, and perfection without the long and painful process of self-improvement. Yet only through the steadily increasing efficiency of labor, industry, agriculture, and every single branch of our economic life, through close co-operation between them in recognition of their common interests, and a united march toward the common goal of making the goods and services which they produce more abundant and more widely available, can we as a people materially better our lot.

Those who produce will continue in the future, as they have in the past, to provide for those who through no fault of their own are incapable of producing. But there never has been and never can be a "land of plenty" for the lazy and the inefficient. These bourgeois virtues of ingenuity, industry and thrift, which the business enterpriser in the early days of capitalism had to cultivate in his own person in order to achieve success, may today receive less public acclaim than do the benevolence and paternalism of a political group which seeks to perpetuate itself in office by inflaming class consciousness and promising security for all. The truth, however, still remains that no government can guarantee economic security. A man's only security lies in his ability to create. And the function of the government should be to see that nothing interferes with or dissipates that ability, although this is contrary to the advice of one public lecturer to the unemployed, who said to them that a man is a "sucker" who works when he does not have to. When the government tries to direct production and distribution, competition is replaced by regulation and progress is discouraged.

A government may do everything in its power to give the voter economic security. It may tax business until it exhausts the source of taxes. But still it can provide no real security. Business, not government, must still produce the goods and services which the people need in order to live. By taxing business heavily in order to "give security to the masses," the government merely uses up the gains of the past and postpones the developments of the future, for it adds to the cost of doing business and discourages enterprise. The intent may be excellent, but the method is destructive.

In the one hundred and sixty years of this nation's history its people have made such economic progress as is rivaled by no other nation anywhere. During the greater part of that period Americans were content to rely upon their own intelligence, initiative and industry to meet the problem of providing daily bread. They saw and understood the relationship between their capacity to produce and their ability to consume. They asked no favors. What they received was what they had earned. Yet they were not afraid for the future, nor jealous of those whose wealth was greater than their own. They did not complain that opportunities were limited. They knew that opportunities were plentiful and only the vision to see them was rare. The emphasis of their lives was upon action, not dreaming—upon creating, not destroying.

**IT IS** not suggested that today we should leave the unemployed to starve, or abandon the helpless to their fate. It is well to temper "rugged individualism" with generosity. But we may well think carefully of the cost and the ultimate outcome of a program which assumes that the government *owes* every man a living—not merely an equal opportunity to earn a living—but a living in whatever style it may suit his fancy to demand. Such an assumption is the direct negation of the philosophy under which we have grown and prospered. When we coddle



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the inefficient, discourage individual responsibility and initiative, and teach the young men of the nation that the world *owes* them a living, we are destroying the most potent force toward economic advancement.

Can it be that we have reached the peak of our national accomplishments, and that we have entered a fourth phase of economic evolution—a phase characterized by decline? If we choose the easy course there should be little occasion for surprise if we reach the bottom in much less time than it took to make the long, hard ascent. Momentum is easily gathered where the path we follow leads downhill. Will that be our fate as a nation? Or shall we arrest the downward trend, end this period of lethargy and wishful thinking, regain a realistic state of mind and resume the march of economic progress toward higher goals than we have ever known before?

## LETTERS

Financial Editor, Saturday Night

Dear Sir:

Am I a malefactor of great wealth? Hitherto my conscience has been clear, for I don't consider myself wealthy and the question of malefeasance has not presented itself as a practical problem of ethics. But the criticism of the financial structure of Dominion Textile Company made by the able counsel for the Royal Commission inquiring into the textile industry has made me wonder whether I should have my head in shame.

For 29 years I have been a small shareholder in Dominion Textile. My first investment in the company was made in 1907 and I had no business to make it. Out of my then small earnings I had saved \$500 and had doubtless the wise proceeds should have been to buy a Dominion Government bond, as did a neighbor whose earnings and prospects were similar to my own. However, I went out and out gamble I bought 50 shares of Dominion Textile company for \$470.

My neighbor has had to reason a worry about the safety of his \$500. If he has kept it in government bonds, reinvesting as they matured, he has received a reasonable rate of return during the intervening 29 years, and likely has also a small capital appreciation. My speculation has been more fortunate. A little less than a year after I had bought the stock, the company commenced paying dividends at the rate of 5 per cent., giving me a yield of a little better than ten per cent. on my capital. In 1922 I had the right to buy five more shares at \$100, which was then the par value. The same year the stock was split three for one, so I then owned 45 shares of no par value stock. Six years later rights were again given to shareholders. This time to buy one share at \$75 for each five held. Taking up these rights brought my total holding up to 54 shares, which I still hold. Their cost has been \$1,645. Their value at the present market price of \$71 is \$3,834. My capital appreciation thus is \$2,189 and I have also received good dividends.

I have made several worse investments and a few that were better. I consider that my returns from the good ones are a repayment for the worry both good and bad have caused me while my bond-buying neighbor was sleeping soundly. Or, looking at it in another way, I have played a small part in building up a great and necessary Canadian industry, and have received a material reward for my faith.

As I have said, my original \$470 was a gamble. The company had been formed two years before as a result of a merger of four cotton companies that were on the verge of bankruptcy. The ten shares I bought were doubtless sold by someone who judged the price was high enough or too high. I take no credit for the fact that my judgment proved better. My further investments, totaling \$1,175, were on a sounder basis, for I had had some years of experience as a shareholder, and thus had a reasoned faith in the company and its management.

Reading the earlier reports of the textile inquiry, when the commission counsel was delivering into Dominion Textile's financial structure, it seemed to me that he was deliberately trying to pillory me and the several hundred others like me, who have put their trust in a soundly managed Canadian industry. Granted that our returns have been large, when figured on a percentage basis, has not the capital we risked been doing useful work for Canada? It has given work to thousands of Canadians directly employed by the company and to many other thousands who have built the factories and supplied materials. It has provided Canadian consumers with cotton textiles at an average profit of about 12 per cent. It has added large sums in tax to the federal, provincial and municipal governments.

Perhaps unintentionally the evidence as handled by the commission counsel tended to create some confusion between the earnings of capitalists like me and earnings on capital. The reason was, capitalists have received good returns is

that the company has produced and increased its capital investment. Instead of paying out its earnings in dividends, it has plowed back some of them in nearly every year since its foundation. Some of this has been used to set up reserves against inventories and depreciation of necessary equipment in all countries, but particularly so in the case of a cotton textile company, where the raw materials is subject to sharp price fluctuations and new inventions may make machinery obsolete at any time. The remainder of the invested capital has gone into new factories and machinery, providing more employment for workers and a dividend for shareholders. Now, as a shareholder, I might well be aggrieved that all available earnings have not come to me, but I know that so far the company's handling of my money better than I could do myself and I am coming on my own contributing to it.

A tall tale of the actual earnings since 1907, when the company was founded was made and presented in evidence to the Royal Commission by J. H. Glasgow, chartered accountant. This showed a growth of \$3,500,000 in 1905-06 to \$1,000,000 in 1935-36. The average capital investment works out to \$11,635,869 and the average earnings to \$4,060,000, making an average return of 34.2 per cent.

To me this appears to be a reasonable rate of return. It is higher than the yield on government bonds, but surely the difference is justified by the greater risk. After risk, and following all the evidence about a company as reported in the newspaper accounts of the Royal Commission's hearings, I am still proud to be a shareholder in it. And I still cannot think of myself as a malefactor of great wealth more than the city.

Yours truly,

"CAPITALIST"

Montreal

## WATER POWER

**QUEBEC** leads all the provinces in water power resources. Estimated on the basis of six months ordinary flow, the water powers of Quebec are estimated at 13,664,000 horsepower. Ontario stands next at 6,940,000 horsepower, followed by Manitoba 5,344,500 horsepower, British Columbia 5,103,500 horsepower, and the three Maritime Provinces 302,700 horsepower. Quebec leads also in installations at 3,703,320 horsepower, followed by Ontario 2,355,755, British Columbia 717,717, Manitoba 390,825 and the Maritime Provinces 252,487 horsepower. The total known water powers of the Dominion are estimated at being equivalent to turbine installations of 43,700,000 horsepower, of which only a little over 17 per cent. has yet been developed.

A Canadian hen recently laid an egg inside of which was a second egg complete with shell. This revives the legend of the boarding house menu: bacon and eggs—one egg and no bacon.



